SB

105

Alaska State Legislature

Senate

Rules Committee

Official Business

State Capitol
Juneau, AK. 99801-1182

MEMORANDVM.

TO: Representatives Hanley and Therriault, Co-Chairmen
House Finance Committee

FROM: Benjamin Brown, Legislative Aide to Senator Kelly

DATE: 23 April 1998

IN RE: revised sectional analysis of House CS for CS for SB 105 (StAff)
(version No. 0-LS0074\R)

"An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state or municipal office; relating to the conduct of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date.

This memorandum is meant to summarise and analyse each section of the House State Affairs Committee Substitute for SB 105 (hereinafter referred to as the HCS). Please note that a sectional analysis is not generally considered to be the most authoritative interpretation of a bill; the bill itself is the best statement of its specific effects.

SECTION 1: AS 15.13.072.(d) PROHIBITED SOLICITATION & ACCEPTANCE OF CONTRIBUTIONS. This section amends the State Elections Act to prohibit candidates for election or reelection to the Legislature from *soliciting or accepting* a campaign contribution while the legislature is in regular or special session. A change in the House State Affairs Committee (hereinafter referred to as 'State Affairs') provides for a 90-day exemption to this

session fundraising ban, to allow candidates to raise money in the period immediately preceding an election.

SECTION 2: AS 15.13.074(c) PROHIBITED CONTRIBUTIONS This section prohibits a person or group from *contributing* to a candidate for governor or lieutenant-governor before the date of a proclamation calling for a special election. It further prohibits a person or group from *contributing* to a candidate for the Legislature while the legislature is convened in regular or special session, but a change in State Affairs provides for a 90-day exemption to this session fundraising ban, to allow candidates to raise money in the period immediately preceding an election. Section 2 also lengthens the period of time after an election in which a candidate may continue to raise money to either 60 days after the election of the end of the calendar year, whichever comes first.

SECTION 3: AS 15.13.110(a) POET ACCOUNT REFERENCE IN REPORTING REQUIREMENTS This section changes the name of the account a successful legislative candidate can establish with unused campaign assets under AS 15.13.116, from legislative office account to Public Office Expense Term (POET) account.

SECTION 4: AS 15.13.116(a) DISBURSEMENT OF CAMPAIGN ASSETS This section allows a transfer of unused campaign contributions to a POET account, or to a POET account reserve in accordance with the new subsection which follows. Sections 93, 94, and 95 allow this section and Section 5 to take effect immediately and to be retroactive to the 31st of December 1996.

SECTION 5: AS 15.13.116(d) DISBURSEMENT OF CAMPAIGN ASSETS This section adds a new subsection (d) which allows a legislator to transfer up to $5000 per year from a POET account reserve to a POET account. It further allows a transfer of unused campaign assets of up to $20,000 for senators and $10,000 for representatives to a POET reserve. (AS 15.13.116 [9][D] currently allows a one time transfer of funds to an office account at $5000 multiplied by the number of years in the term.) At the end of the legislator's term, a balance in a POET reserve must be disposed of as provided in (a)(3), (a)(5) of this section, which includes charitable donations and repaying contributors. Sections 93, 94, and 95 allow this section and Section 4 to take effect immediately and to be retroactive to the 31st of December 1996.

SECTION 6: AS 23.20.526(d) EXCLUSIONS FROM DEFINITION OF EMPLOYMENT This section makes a conforming amendment based on changes in this bill to the executive branch employment security statutes to ensure that the people who are not eligible for unemployment compensation remain ineligible. (Refer to Attachment 2 - Cramer memo of 13 February '98.)

SECTION 7: AS 24.25.010(e) SUBPŒNA POWERS: The Legislative Ethics Code specifically grants the ethics committee the authority to subpoena witnesses under AS 24.60.150(b)(2). The statute to be amended by this bill sets out general authority for legislative subpoenas and includes a reference requiring the concurrence of the Senate President or Speaker of the House. Subsection (e) currently provides that the section does not apply to the Legislative Council or the Legislative Budget & Audit Committee. Like the ethics committee, both Leg Council and LB&A are permanent interim committees and both have express grants of authority to subpoena witnesses. It is the opinion of the ethics committee, and the committee's legal counsel, that not including the ethics committee in the AS 24.25.010(e) exemption was an oversight, given the specific grant of authority to subpoena witnesses in the ethics code itself.

SECTION 8: AS 24.45.041(b) REPORTING SPOUSAL RELATIONSHIPS BY LOBBYISTS This section adds a new provision to the law requiring legislative lobbyists to disclose spousal relationships with legislators, legislative employees, and some public officials. The definition of spousal equivalent at 39.50.030(g) is also cited.

SECTION 9: AS 24.45.171(12) DEFINITIONS This section clarifies the definitions of public official and public officer in relation to the legislative lobbying law, excluding judicial and municipal officers, but including legislative directors.

SECTION 10: AS 24.60.030(a) LEGISLATIVE ETHICS CODE BEHAVIORAL RESTRICTIONS This section amends the Legislative Ethics Code to refine the restrictions on behavior by persons in the legislative branch. It specifically disallows the use of public resources for nonlegislative purposes or for partisan political purposes. It allows limited use of some resources if the cost is nominal or reembursement is made, and permits facsimile use on the same terms as telephone use. Section 10 allows Leg Council to designate space for health and fitness purposes to allow the Capitol School gym to be designated for legislative use. It also allows legislators to use their private offices in the Capitol during session, and for a five-day window before and after session, for personal or political purposes if there is no cost and the use doesn't interfere with performance of public duties. Finally, Section 14 permits storing campaign records in legislative offices.

SECTION 11: AS 24.60.030(c) POLITICAL MASS MAILING This extends a current provision of the Legislative Ethics Code which prohibits use of state funds to print or distribute a mass mailing from or about a legislator who is a candidate for state office during the period 90 days before the primary and ending the day after the general election. The HCS prohibits such mailings by legislators and

legislative employees who are candidates for federal or municipal office, or to telephone and electric cooperative boards. While other sections of the ethics code clearly prohibit use of state funds for campaign purposes, this section highlights what are considered to be a critical periods and provides a guideline for those who issue mailings during those times. This prohibition does not apply to a legislator's LAA office allowance, and would therefore primarily restrict the use of committee or leadership funds for a political mass mailing.

SECTION 12: AS 24.60.030(d) CAMPAIGN LITERATURE This section adds fundraising notices to the list of current prohibitions on distributing or posting campaign literature in state facilities. The prohibitions currently apply only to legislators or someone acting on behalf of a legislator while the HCS expands that prohibition to include legislative employees. It allows a legislator to post materials related to a past election in his or her private legislative office.

SECTION 13: AS 24.60.030(f) BOARD MEMBERSHIP This section changes the board membership disclosure period from 30 days to 60 days and requires the committee to publish disclosures in the journal. It exempts legislators and legislative employees whose appointments are already published in the journal from disclosing redundantly.

SECTION 14: AS 24.60.030(g) CONFLICTS OF INTERESTS This section replaces the *prohibition* on taking legislative, administrative, or political action if a legislator or legislative employee has an equity or ownership interest, with a *ban* on a legislator voting on a question if the legislator has an interest.

SECTION 15: AS 24.60.030(h) POLITICAL ACTIVITY DURING THE WORK DAY This section adds a new subsection to the restrictions on legislative behavior, which requires an employee to take leave for the period of time the employee is engaged in political campaign activities, other than incidental campaign activities. It permits political campaign activities on government time if the activities are part of the normal legislative duties, including answering phone calls and handling incoming correspondence.

SECTION 16: AS 24.60.031(a) FUNDRAISING DURING SESSION This section clarifies that the restrictions on fundraising during session are in effect on a day when either the House or the Senate is in regular or special session. A legislator or legislative employee could not solicit or accept contributions for legislative campaigns during session, could not accept money from an event held for legislative political purposes during session, and could not expend money for a legislative campaign if the money was raised during session. State Affairs added an

exemption for contributions made in the 90 days preceding an election in which a legislator is a candidate.

SECTION 17: AS 24.60.031(c) BAN ON FUNDRAISING AFTER TRAVEL AT STATE EXPENSE This section adds new subsections to the fundraising restrictions in the Legislative Ethics Code. Subsection (c) prevents travel at State expense to a place where a fund-raiser is planned within 48 hours of the travel. It allows State-paid travel if the fund-raiser is at least 48 hours after the travel occurs, if a second trip is made between the two locations and is not paid for by the State, or if the travel was to convene or adjourn in legislative session in the capital city. Subsection (e) defines 'campaign fundraising event'.

SECTION 18: AS 24.60.039(b) EMPLOYMENT DISCRIMINATION This section reflects the ethics committee's shared jurisdiction with the State Commission for Human Rights on complaints filed against a legislator or legislative employee concerning violations of the employment discrimination statute, AS 18.80.220. Current law requires the committee to deal with a complaint alleging a violation of that statute in the same manner they would deal with any other complaint. The proposed language gives the committee the option to refer those who file a complaint of employment discrimination to the human rights commission and defer consideration of the complaint until after the commission has completed its proceedings.

SECTION 19: AS 24.60.040(a) CONTRACTS AND LEASES This section broadens contract and lease criteria beyond those currently in the Legislative Ethics Code which restrict a legislator or legislative employee from having a financial interest in a State contract or lease unless it is let through competitive bidding in accordance with the State Procurement Code, is worth $1000 or less annually, or is standardised under publicly established guidelines and generally available to the public. This allows participation in contracts or leases that are let under AS 36.30, addressing a variety of award methods, including sole-source. It allows participation in contracts or leases let under procedures similar to these, addressing such agencies as the University, the Railroad and the Legislature. The threshold for being involved in a contract or lease is raised from $1000 to $5000. Section 19 also requires a legislator or legislative employee to disclose family members' interests in State contracts or leases if known or reasonably ought to be known.

SECTION 20: AS 24.60.040(c) CONTRACTS AND LEASES This section adds a new subsection that clarifies that a grant, contract, or lease that falls under one of the state loan or benefit programs in AS 24.60.050, is not subject to this section. The ethics committee annually publishes a list of programs that do not meet the criteria in AS 24.60.050(a) and requires disclosure of participation in any of the

listed programs. Section 20 clarifies that a grant that results in a contract is subject to this section.

SECTION 21: AS 24.60.050(c) REFRAINING FROM PUBLICATION This section mandates disclosure of involvement in State programs and loans by the deadline established in 24.60.105. It allows the ethics committee to protect an individual's right to privacy concerning participation in State loan or benefit program, following a decision by the committee in 1994 not to publish the name of a person who got a benefit from the Violent Crimes Compensation Board, only that a person covered by the ethics code had received a benefit.

SECTION 22: AS 24.60.060(b) PROTECTIVE ORDER This section adds a new subsection that sets out that the subject of an ethics complaint may not release information deemed confidential under a protective order issued under 24.60.170(i). This allows the committee to broaden discovery by the subject while still protecting any innocent, or 'not involved' parties.

SECTION 23: AS 24.60.070(b) DEADLINE FOR CLOSE ECONOMIC ASSOCIATION DISCLOSURE This section cites 24.60.105 as the deadline for disclosure of close economic associations, and adds a 60-day timeline for new associations.

SECTION 24: AS 24.60.070(d) SPOUSE/SPOUSAL EQUIVALENT LOBBYIST DISCLOSURE This section adds a new subsection which requires a legislator or legislative employee who is married to (or who is the spousal equivalent of) a lobbyist to disclose under close economic association the name and address of each of the lobbyist's clients, and the total monetary value received from each client annually. Changes to the list would have to be reported within 48 hours.

SECTION 25: AS 24.60.080(a) GIFT RESTRICTIONS This section increases the maximum cumulative annual gift limit in the Legislative Ethics Code from $100 to $250. It clarifies that the general prohibition on accepting gifts worth more than $250 does not apply to types of gifts specifically exempted elsewhere in this part of the Code. Section 25 clearly states that the ban on solicitation, acceptance, or receipt of anything of monetary value from a lobbyist during session does not apply to food or beverage for immediate consumption.

SECTION 26: AS 24.60.080(c) GIFT RESTRICTION EXEMPTIONS This section clarifies that a stay in a vacation home located outside the State is not an exempted gift. It allows legislators and legislative employees to accept discounts while on State business if the discount benefits the State. It allows legislators and

their personal staff (but not other legislative employees) to accept discounts and welcoming gifts in the capital city during session.

SECTION 27: AS 24.60.080(d) GIFT REPORTING This section increases the reference to the maximum cumulative annual gift limit from $100 to $250. It mandates reporting of gifts of travel and hospitality within 30 days of receipt of the gift. It changes the reporting deadline for gifts not related to legislative status to the 15th of March of the following year, and specifies that the disclosure need include only a description of the gift and the giver's identity (not the actual value). Section 27 also calls for the ethics committee to forward gift disclosures by legislators and legislative directors to APOC.

SECTION 28: AS 24.60.080(e) 'LOW BUDGET' CAMPAIGNS This section makes a technical change to conform with the State Elections Act, to allow certain smaller campaign contributions to fall within the exemption from coverage by the Legislative Ethics Code.

SECTION 29: AS 24.60.080(f) GOVERNMENT GIFTS This section allows acceptance of a gift from a foreign government, the U.S. government, another state government, or a municipal government, on behalf of the Legislature. The gift must be delivered to Leg Council within 60 days. Section 29 also increases the reference to the maximum allowable gift from $100 to $250.

SECTION 30: AS 24.60.080(g) IMMEDIATE FAMILY This section expands the meaning of the terms 'immediate family' and 'family member' to include spousal equivalents; parents, siblings, grandparents, aunts, and uncles of a spouse or spousal equivalent; and, stepparents, stepsisters, stepbrothers, stepgrandparents, stepaunts, and stepuncles of a person, a person's spouse, or a person's spousal equivalent.

SECTION 31: AS 24.60.080 NEW GIFT RESTRICTION EXEMPTIONS This section adds new exempting subsections to the ban on receiving gifts. New subsection (h) permits soliciting and accepting gifts on behalf of charitable organizations, which is in accordance with advisory opinions issued by the ethics committee. New subsection (i) sets out that gifts of volunteer services for legislative purposes may be accepted by a legislator, legislative committee, or legislative agency as a gift to the State, so long as the person donating the services is not paid by another source. Subsection (i) further allows a legislator, legislative committee, or legislative agency to accept a University intern or Job Training Partnership Act trainee as well as any other educational trainee the committee approves. (To maintain confidentiality, the ethics committee is not permitted to accept volunteer services.) Subsection (i) also requires volunteers, interns, and educational trainees to comply generally with the Legislative Ethics Code, with the exceptions

of certain sections: contracts and leases, close economic associations, nepotism, and representation before state agencies and affords them the protection of the ethics complaint process under 24.60.170. New subsection (j) sets out that gifts from another source to a family member of a legislator or legislative employee fall within restrictions and reporting requirements. Subsection (j) further requires disclosure by a legislator or legislative employee who knows, or reasonably ought to know, that a family member has received a gift because of the family member's connection to the legislator or legislative employee. New subsection (k) states that the value of a gift is fair market value, to the extent that fair market value can be determined.

SECTION 32: AS 24.60.085(a) EARNED INCOME & HONORARIA This section would allow legislators and legislative employees to accept compensation that is less than fees generally charged, (E.G., allowing an attorney to do pro bono work or an engineer to charge a reduced rate for review of plans for a non-profit organization).

SECTION 33: AS 24.60.100 REPRESENTATION This section sets a deadline for reporting representation before a State agency, citing 24.60.105.

SECTION 34: AS 24.60.105 DEADLINE FOR FILING DISCLOSURES This section establishes a deadline of the 15th of March of the following year for most disclosures in the Legislative Ethics Code including board memberships, interests in state contracts or leases, participation in State programs and loans; close economic associations, and representation of clients. It mandates disclosure within 30 days of an interest begun or acquired during the regular session, except for session's final 30 days, which must be reported by the 15th of March of the following year.

SECTION 35: AS 24.60.130(f) COMMITTEE PER DIEM & TRAVEL This section authorises the ethics committee's public members to receive per diem and travel compensation, as has been customary with legislative committees that have non-legislative members (E.G., the Code Revision Committee). Public members are not entitled to actual pay for their time. Rates and terms for per diem and travel for state boards and commissions (set in 39.20.180) apply to public members of the ethics committee.

SECTION 36: AS 24.60.130(h) MEMBER DISQUALIFICATION
This section prohibits a legislative member of the ethics committee from participating in a complaint proceeding if the subject of the complaint is the member, or the subject supervised by the member. The process for designating a new member to serve on the ethics committee in the place of a disqualified member is in new subsection 24.60.130(o), added by Section 37 of the bill.

SECTION 37: AS 24.60.130(o) APPOINTMENT OF COMMITTEE ALTERNATES This section adds a new subsection which sets out that each presiding officer appoints an alternate legislative member of the ethics committee when appointing regular members. Alternate members must have the same qualifications as regular members and must be confirmed just as a regular member is. If a regular member is disqualified from serving, the ethics committee chairman or subcommittee chairman confidentially designates the alternate to serve for the course of that proceeding.

SECTION 38: AS 24.60.134(a) RESTRICTIONS ON COMMITTEE MEMBERS This section expands the restrictions on the ethics committee's public members, staff, and contractors by prohibiting participation in political management or political campaigns for federal, state and local office (regardless of whether the campaign is partisan or nonpartisan), or participation in campaigns for or against ballot measures. Section 38 further prohibits the ethics committees' public members, staff, and contractors from attending fund-raisers or contributing to political parties, to legislative candidates, to incumbent legislators or legislative employee running for other public office, or to a person running for another office against an incumbent legislator or legislative employee. Section 38 maintains the existing restriction on lobbying activities.

SECTION 39: AS 24.60.134(c) EXEMPTION FROM CODE OF SOME CONTRACTORS This section permits a contractor with the ethics committee to request an exemption for some members of the corporation or partnership from compliance with some or all prohibitions against political activity. If the committee contracts for outside legal counsel with an attorney who is part of a large firm with branches Outside, a strict reading of current law might mandate that all employees of the firm comply with the Legislative Ethics Code. This section gives the committee the latitude to grant such request.

SECTION 40: AS 24.60.160 ADVISORY OPINIONS This section provides that the ethics committee must issue an advisory opinion to a newly elected legislator within 60 days of a request from such a person, doubling the current response deadline of 30 days. It further allows the committee to issue an advisory opinion to a person who anticipates becoming a legislative employee within 45 days.

SECTION 41: AS 24.60.170(a) INITIATION OF COMPLAINTS This section changes the statute of limitations for consideration of ethics complaints from five to two years, consistent with the time limit for the Executive Branch Ethics Act, and coterminous with the length of a single House term, and establishes that a

complaint against a legislator must be filed within a year of the legislator's departure from the Legislature. Section 41 prevents the ethics committee from considering complaints against all members of the legislature, all members of one its houses, or against former employees. It further allows the committee to reinstate a complaint closed upon an employee's termination if the employee is rehired within two years of the date the complaint was filed, and provides for the same procedure with a former legislator who resumes legislative service within two years of the date of the complaint, affecting former staffers who are elected to the legislature and former legislators who are hired as staffers.

SECTION 42: AS 24.60.170(b) REQUIREMENTS OF COMPLAINANT This section allows any person to file a written complaint under oath stating that the complainant has reason to believe a violation occurred and describing known facts in support of the complaint. It mandates that the ethics committee provide a complaint form, and advise complainants that they may be asked to testify in support of their complaints. Section 42 further sets out that the committee can only accept new complaints or release public information on pending complaints outside of campaign periods as defined in subsections (o) and (p), added by Section 49 of the bill. Section 42 provides that the committee must immediately provide subjects of complaints with copies.

SECTION 43: AS 24.60.170(c) PRELIMINARY TREATMENT OF COMPLAINTS This section allows the ethics committee to have staff preliminarily examine complaints for legal sufficiency and credibility of information, then recommend action to the committee based on information and evidence contained in the complaint. It explicitly allows the committee and staff to solicit additional information from the complainant and subject, though neither is obligated to provide information. Section 43 allows for dismissal of complaints that are frivolous, lack credible information, or fall outside the committee's jurisdiction. It further clarifies that proceedings under this subsection are confidential and that confidentiality may be waived by the subject in compliance with subsection (i).

SECTION 44: AS 24.60.170(f) LACK OF PROBABLE CAUSE This section states that if there is lack of probable cause that a violation of the ethics code occurred, the complaint must be dismissed, and that unsubstantiable portions may be dismissed. It mandates that the committee issue a decision explaining the dismissal, and establishes that deliberation and vote on the dismissal order and decision are not open to the public or to the subject of the complaint. It further calls for copies of a dismissal order and decision to be sent to the complainant and the subject.

SECTION 45: AS 24.60.170(g) CORRECTIVE ACTIONS This section allows the ethics committee to issue an opinion (which must go to both the complainant and the subject) recommending corrective action after finding probable cause that a violation occurred. It lets the subject comply with the opinion or request a hearing under subsection (j), and lets the committee amend or affirm the opinion after this hearing. Section 45 sets out that if a subject agrees to comply with an opinion but fails to do so in a timely manner, the committee may formally charge the person under subsection (h) or refer the matter to a supervisory authority. It empowers the supervisory authority to enforce corrective actions, or decline to do so and refer the matter back to the committee which retains the power formally to charge the person.

SECTION 46: AS 24.60.170(h) FORMAL CHARGES BEYOND CORRECTION ACTIONS This section conforms subsection (h) to the new language in subsection (g), empowering the committee formally to charge a person who fails to complete corrective actions, or if investigation reveals a violation requiring sanctions instead of, or in addition to, corrective actions.

SECTION 47: AS 24.60.170(i) DISCOVERY This section allows the subject of a complaint to engage in discovery under Alaska Rules of Civil Procedure, and lets the ethics committee adopt procedures concerning discovery, including allowing discovery at an earlier stage than formal charges and imposing reasonable restrictions on release of information to the subject of a complaint (to protect the privacy of persons not under investigation). It further prevents the committee from imposing restrictions on discovery by the subject unless the complainant agrees to be bound by similar restrictions concerning release of information, and has not made public the information in or about the complaint or the filing of the complaint.

SECTION 48: AS 24.60.170(l) CONFIDENTIALITY This section sets out that ethics committee proceedings are confidential until the determination of probable cause, and that complaints and all documents produced or disclosed in the course of an investigation are confidential as well. It mandates that the committee transmit information obtained in the course of an investigation to appropriate enforcement authorities. Section 48 clarifies that all meetings of the committee concerning complaints are closed to the public and non-members of the committee, though the committee may permit the subject of a complaint to attend a meeting other than deliberation on probable cause. It further limits a complainant's ability to waive confidentiality for others.

SECTION 49: AS 24.60.174(o) (p) (q) MORATORIA ON NEW COMPLAINTS/RELEASE OF PUBLIC INFORMATION This section adds

three new subsections which concern handling of complaints by the ethics committee during campaign periods. Subsection (o) provides that the committee shall return a complaint concerning a candidate received during a campaign period unless the subject waives the right to suspension of consideration within 11 days. If provides that the committee must notify the would-be complainant of the right to refile the complaint at the end of the campaign period. Subsection (p) sets out that the committee may not proceed beyond the point of confidentiality on a complaint concerning a candidate that is pending when a campaign period begins, preventing action under subsections (f), (g), and (h), unless the subject waives the right to suspension of proceedings. Subsection (q) defines a campaign period for this section as beginning on the later of 45 days before the primary election in which one is a candidate or the day one files for office, and ending the day of the general or special election, the day after primary results are certified, or the day a candidate withdraws.

SECTION 50: AS 24.60.174(a) TIMETABLE FOR COMPLIANCE/ RECOMMENDED FINES This section sets out procedures for the Legislature and the ethics committee to follow concerning sanctions on legislators. It mandates that the committee include a suggested timetable for compliance reports when recommending sanctions on a legislator found in violation of the Code. Section 50 allows the committee to recommend fines that the legislative body may impose if the legislator does not comply in a timely manner.

SECTION 51: AS 24.60.174(e) TIMETABLE FOR SANCTIONS This section adds a new subsection requiring a legislative body to report to the ethics committee the sanctions and timetable for compliance it has adopted. It further requires a legislator to report to the committee on compliance with the sanctions, in accordance with the timetable. Section 51 lets the committee determine if the legislator has failed to comply fully and in a timely manner, and recommend imposition of fines or additional sanctions.

SECTION 52: AS 24.60.176(a) RECOMMENDATIONS WHERE VIOLATOR IS A LEGISLATIVE EMPLOYEE This section sets out that the ethics committee will recommend sanctions for a legislative employee to the employee's appointing authority, defined in 24.60.176(b) by Section 53 of this bill. It establishes that appointing authorities may impose the sanctions recommended by the committee or different sanctions, and that the appointing authority enforces the sanctions and reports to the committee on the employee's compliance.

SECTION 53: AS 24.60.176(b) APPOINTING AUTHORITY. This section adds a new subsection which defines which person or committee is the appointing authority for all legislative employees.

SECTION 54: AS 24.60.178 RECOMMENDED SANCTIONS This section adds a new section which lists sanctions the committee may recommend for violations of the Code, enumerated in subsection (b). Subsection (c) lets the committee recommend that the subject be required to pay all or some of the costs related to the investigation or adjudication of the complaint.

SECTION 55: AS 24.60.200 FINANCIAL DISCLOSURE BY LEGISLATORS, LEGISLATIVE DIRECTORS & PUBLIC MEMBERS This section adds public members of the ethics committee to the group of persons who must file Legislative Financial Disclosures (LFD). It adds spousal equivalents to the group of persons about whom income information must be disclosed, and deletes the requirement that gift information be included in the LFD.

SECTION 56: AS 24.60.210 DEADLINES FOR FILING This section changes the deadline for filing an LFD from the 15th of April to the 15th of March.

SECTION 57: AS 24.60.250 EFFECT OF FAILURE TO FILE This section sets out that APOC must notify the Lieutenant-Governor of a legislative candidate's failure to file an LFD, which results in that person's forfeiture of office. It calls for APOC to notify Leg Council or LB&A if a legislative director or the Ombudsman fails to file.

SECTION 58: AS 24.60.260(a) REFERENCE TO FINES This section prohibits false statements in disclosures, and establishes that filing after the deadline constitutes a violation of the Legislative Ethics Code.

SECTION 59: AS 24.60.260(c) FINES FOR FAILURE TO FILE This section permits the committee to impose fines for late disclosures, not to exceed $2 per day, to a maximum of $100 per late disclosure, unless the lateness was inadvertent which makes the maximum fine $25.

SECTION 60: AS 24.60.990(a)(5) IMMEDIATE FAMILY This section expands the general definition of immediate family for the Code.

SECTION 61: AS 24.60.990(a)(15) & (a)(16) SPOUSAL EQUIVALENT/STATE OFFICE DEFINITIONS This section provides new general definitions of spousal equivalent and state office to the Code.

SECTION 62: AS 39.25.070 PERSONNEL BOARD POWERS AND DUTIES This section simplifies the reference to the Executive Branch Ethics Act (39.52 - hereinafter referred to as 'the Act') in the State Personnel Act (39.25).

SECTION 63: AS 39.25.160(e) BAN ON CANDIDACY OF EXEMPT EMPLOYEES This section adds extends the ban on candidacy for State or national elective political office by State employees to include the exempt service. It exempts some members of the exempts service from this ban.

SECTION 64: AS 39.25.160(j) PROHIBITION ON POLITICAL ACTIVITY ON GOVERNMENT TIME This section adds a news subsection to the State Personnel Act which explicitly prohibits State employees from engaging in campaign activities on behalf of political candidate on government time. It clarifies that Division of Election employees may carry out duties related to elections, and members and employees of the Commission on Judicial Conduct may carry out duties related to evaluation of judges, and exempts elected State officials from the ban.

SECTION 65: AS 39.50.020 REPORT OF FINANCIAL AND BUSINESS INTERESTS This section changes the requirements for Public Official Financial Disclosures, setting out that public officials listed in 39.50.200 must file reports within 30 days after taking office as a public official. It changes the filing deadline to the 15th of March, and specifies that all non-municipal officials file with APOC, while municipal officials file with appropriate local authorities.

SECTION 66: AS 39.50.030(a) CONTENTS OF FINANCIAL REPORTS This section lists that reports must contain information specified in subsections (b) and (d), and deletes the unnecessary reference to assets or liabilities under $500, household goods, and personal effects.

SECTION 67: AS 39.50.030(b) CONTENTS OF FINANCIAL REPORTS This section changes the reporting requirements for executive branch public officials to include income sources over $1000. It adds a requirement for public officials to report any income of over $250 that is a *gift*. It changes the requirement to report trust or fiduciary relationships or loans *only* when they exceed $1000. Section 67 mandates reporting state contracts held, bid, or offered by a partnership or professional corporation of which an official is a member; deletes a requirement for reporting a state contract or natural resource lease held, bid, or offered by an official's mother or father; and, adds an official's spouse to the group on whom an official must report if the spouse holds a natural resource lease.

SECTION 68: AS 39.50.030(d) CONTENTS OF FINANCIAL REPORTS. This section adds new subsections which alter requirements for Public Official Financial Disclosures. Subsection (d) calls for public officials to report close economic associations with legislators, other public officials, lobbyists, or any public officer for

the governor and lieutenant-governor. Subsection (e) sets out that new close economic associations must be reported within 60 days of their formation. Subsection (f) calls for disclosure of client information for lobbyists with whom the public official has a close economic association, and for updating of this information within 48 hours for new lobbying contracts. Subsection (g) defines several terms for the purposes of this section.

SECTION 69: AS 39.50.070 FAILURE TO REPORT BY CERTAIN STATE EMPLOYEES This section provides for penalties for most public officials who fail to file reports.

SECTION 70: AS 39.50.200(a)(8) DEFINITIONS This section redefines public official to include judicial officers, the governor, the lieutenant-governor, commissioners, directors, deputy directors, and many persons in the governor's office.

SECTION 71: AS 39.52.010(a) FINDINGS AND PURPOSE This section augments the preamble to the Executive Branch Ethics Act.

SECTION 72: AS 39.52.120(b) MISUSE OF OFFICIAL POSITION This section sets out what sorts of behavioral restrictions apply to executive branch employees. It explicitly bans coercion of subordinates and use of state resources for partisan political purposes, and defines partisan political purposes.

SECTION 73: AS 39.52.120(d) BAN ON FUNDRAISING AFTER TRAVEL AT STATE EXPENSE This section adds new subsections to the behavioral restrictions in the Act. Subsection (d) prevents travel at State expense to a place where a fund-raiser is planned within 48 hours of the travel. It allows State-paid travel if the fund-raiser is at least 48 hours after the travel occurs, if a subsequent trip is made between the two locations and is not paid for by the State, or if the travel was to the capital city. Subsection (e) defines campaign fundraising event. Subsection (f) adds criteria for determining whether or not a public officer is considered to be on government time, and mandates that leave be taken for political campaign activities that are not minor, inconsequential, and unavoidable.

SECTION 74: AS 39.52.130(b) GIFTS This section increases the value of a gift that may be received in the executive branch from $50 to $150. If requires disclosure of a gift received due to a public officer's governmental status whether or not the officer can take or withhold official action that affects the giver.

SECTION 75: AS 39.52.130(e) & (f) GOVERNMENT GIFTS This section adds new subsections, the first of which allows acceptance of a gift from a foreign

government, the U.S. government, another state government, or a municipal government, on behalf of the State. The recipient must notify the governor's office within 60 days for instructions on appropriate disposition of the gift.

SECTION 76: AS 39.52.170(c) OUTSIDE EMPLOYMENT This section adds a new subsection which bans commissioners from accepting outside employment for compensation.

SECTION 77: AS 39.52.180(d) RESTRICTIONS ON POST-OFFICE EMPLOYMENT This section adds a new subsection which restricts the governor, lieutenant-governor, and commissioners from lobbying for compensation for a year after leaving service.

SECTION 78: AS 39.52.210(a) DECLARATION OF POTENTIAL VIOLATIONS This section requires public employees to report potential violations to the attorney-general as well as to a supervisor.

SECTION 79: AS 39.52.210(b) DECLARATION OF POTENTIAL VIOLATIONS This section requires an employees supervisor to provide a written determination of whether of not a violation reported under subsection (a) exists, to both the employee and the attorney-general.

SECTION 80: AS 39.52.220(a) VIOLATIONS BY MEMBERS OF BOARDS AND COMMISSIONS This section requires members of boards or commissions to disclose a matter that may result in a violation on the public record and in writing to supervisor and to the attorney-general. It further requires board or commission member's ethics supervisor to provide a written determination of whether of not a violation exists, to both the member and the attorney-general.

SECTION 81: AS 39.52.230 REPORTING OF POTENTIAL VIOLATIONS This section requires a supervisor to provide a copy of a report of potential violation of the Act to the attorney-general.

SECTION 82: AS 39.52.260 SUBMISSION OF QUARTERLY REPORTS TO THE PERSONNEL BOARD This section requires the attorney-general to submit copies of quarterly reports from ethics supervisors, and the attorney-general's review of these reports, to the Personnel Board.

SECTION 83: AS 39.52.270 DISCLOSURE STATEMENTS This section adds a new section which makes filing of disclosure statements a provision of the Act. Subsection (a) calls for the statements to be true, correct, and complete. Subsection (b) sets out that ethics supervisors must review disclosures and report potential

violations disclosed therein to the attorney-general. Subsection (c) defines disclosure statement to include reports filed under 39.52.210 - 240.

SECTION 84: AS 39.52. 310(a) MORATORIUM ON INITIATION OF COMPLAINTS/RELEASE OF PUBLIC INFORMATION This section prevents the attorney-general from initiating a complaint against the governor or lieutenant-governor who is a candidate during a campaign period, defined in subsection (k).

SECTION 85: AS 39.52. 310(c) MORATORIUM ON RECEIPT OF COMPLAINTS This section prevents the Personnel Board from accepting a complaint against the governor or lieutenant-governor who is a candidate during a campaign period, defined in subsection (k). It further allows the Personnel Board to contract for or hire independent counsel without consulting the Department of Law.

SECTION 86: AS 39.52. 310(j) & (k) MORATORIUM ON CONSIDERATION OF COMPLAINTS This section adds new subsections. Subsection (j) provides that the Personnel Board shall return a complaint concerning a candidate received during a campaign period unless the subject waives the right to suspension of consideration within 11 days. If provides that the committee must notify the would-be complainant of the right to refile the complaint at the end of the campaign period. Subsection (k) defines a campaign period for this section as beginning on the later of 45 days before the primary election in which one is a candidate or the day one files for office, and ending the day of the general or special election, the day after primary results are certified, or the day a candidate withdraws.

SECTION 87: AS 39.52.320 DISMISSAL BEFORE FORMAL PROCEEDINGS This section sets out that the attorney-general must dismiss complaints if there is no probable cause that a violation occurred, and notify the complainant and the subject under the terms of 39.52.335(c).

SECTION 88: AS 39.52.335 SUMMARY OF DISPOSITION OF COMPLAINTS & REVIEW BY PERSONNEL BOARD This section adds a new section which expands the Personnel Board's oversight of the Executive Branch Ethics Act as enforced by the attorney-general. Subsection (a) mandates forwarding of all complaints received by the attorney-general to the Personnel Board. Subsection (b) requires monthly reporting of the status of pending complaints. Subsection (c) sets out that if a complaint is dismissed or resolved, the attorney-general must report this to the Board, the subject, and the complainant. Subsection (d) allows the complainant to file comments with the Board within 15

days. Subsection (e) calls for the Board to review the summary at its next meeting, allows the Board to compel attendance of the subject , complainant, and attorney-general, and to compel production of documents. Subsection (f) allows the Board to issue a report on the disposition of the complaint. Subsection (g) governs the confidentiality of its report if the summary filed by the attorney-general is confidential. Subsection (h) sets out the steps the Board may take if its recommendation is that the resolution or dismissal be made public.

SECTION 89: AS 39.52.340(a) CONFIDENTIALITY This section sets out that ethics proceedings are confidential and that complaints and all documents produced or disclosed in the course of an investigation are confidential as well. It mandates that the attorney-general transmit information obtained in the course of an investigation to appropriate enforcement authorities.

SECTION 90: AS 39.52.960(11) DEFINITION OF IMMEDIATE FAMILY This section changes the general definition of immediate family member for the Act.

SECTION 91: POET RESERVES FOR INCUMBENTS This section allows current legislators to transfer unused campaign assets to a POET account reserve under the provisions of Section 5 of this bill.

SECTION 92: RETROACTIVITY FOR POET ACCOUNT RESERVE This section makes Sections 4, 5, and 91 retroactive to the 31st of December 1996.

SECTION 93: PARTICULAR EFFECTIVE DATE This section makes Sections 1, 2, 4, 5, 91, and 92 effective immediately under 01.01.070(c).

SECTION 94: GENERAL EFFECTIVE DATE This section makes Sections 3 and 6 through 90 effective on the 1st of January 1999.

0-LS0074\R.1
Cramer
4/23/98

#

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105(STA)

Page 1, following line 7:

Insert a new bill section to read:

"* **Section 1.** AS 15.13.040 is amended by adding a new subsection to read:

(i) The permission of the owner of real or personal property to post political signs, including bumper stickers, on property is not considered to be a contribution under this chapter unless the owner customarily charges a fee or receives payment for permitting the posting of political signs. The fact that the owner customarily charges a fee or receives payment for posting signs that are not political signs is not determinative of whether the owner customarily does so for political signs."

Page 1, line 8:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 56, line 5:

Delete "1, 2, 4, 5, 91, and 92"

Insert "1 - 3, 5, 6, 92, and 93"

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur at the following places:

Page 55, line 29

Page 56, line 2

Page 56, line 4

Page 56, line 5

Page 56, line 7

0-LS0074\R.2
Cramer
4/23/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105(STA)

Page 6, following line 26:

Insert a new bill section to read:

"* Sec. 5. AS 15.13.116(b) is amended to read:

(b) After a general, special, municipal, or municipal runoff election, a candidate may retain the ownership of one computer and one printer and of personal property, except money, that was acquired by and for use in the campaign. The current fair market value of the property retained, exclusive of the computer and printer, may not exceed $2,500. All other property shall be disposed of, or sold and the sale proceeds disposed of, in accordance with (a) or (c) of this section. **Notwithstanding any other provision of this chapter, a candidate may (1) retain a bulk mailing permit that was paid for with campaign funds, and (2) use personal funds, campaign funds, or unused campaign contributions transferred to a public office expense term account under AS 15.13.116(a)(8) to pay the continuing charges for the permit after the election. Money used to continue the life of the permit is not considered to be a contribution under this chapter. In addition to any other use permitted under this chapter, during the candidate's term of office, the candidate may use the bulk mailing permit for mailings associated with service in the office to which the candidate was elected. During the candidate's term of office, if the candidate files a declaration of candidacy or a letter of intent to become a candidate for the same or a different elective office, the candidate may also use the bulk mailing permit in that election campaign.**"

Renumber the following bill sections accordingly.

Page 20, line 16, following "**AS 15.13.040(g)**":

Insert ". **The use of a bulk mailing permit owned by a legislator's campaign committee or used in a legislator's election campaign is not a gift to that legislator under this section**"

Page 56, line 7:

Delete "Sections 3 and 6 - 90"

Insert "Sections 3, 5, and 7 - 91"

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur at the following places:

Page 55, line 29

Page 56, line 2

Page 56, line 4

Page 56, line 5

Page 56, line 7

0-LS0074\R.3
Cramer
4/23/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105(STA)

Page 1, following line 7:

Insert a new bill section to read:

"* **Section 1.** AS 15.13.070 is amended by adding a new subsection to read:

(e) For purposes of the contribution limit in this section, it is not a campaign contribution under this section for a candidate to use up to a total of $1,000 from campaign contributions in a year to pay the cost of

(1) attendance by a candidate or guests of the candidate at an event or other function sponsored by a political party or by a subordinate unit of a political party;

(2) membership in a political party, subordinate unit of a political party, or other entity within a political party, or subscription to a publication from a political party; or

(3) co-sponsorship of an event or other function sponsored by a political party or by a subordinate unit of a political party."

Page 1, line 8:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 4, following line 17:

Insert a new bill section to read:

"* **Sec. 5.** AS 15.13.112 is amended by adding a new subsection to read:

(c) A candidate may use up to a total of $1,000 in campaign contributions in

a year to pay the cost of

(1) attending, or paying the cost for guests of the candidate to attend, an event or other function sponsored by a political party or subordinate unit of a political party;

(2) membership in a political party, subordinate unit of a political party, or other entity within a political party, or subscription to a publication from a political party; and

(3) co-sponsorship of an event or other function sponsored by a political party or by a subordinate unit of a political party."

Renumber the following bill sections accordingly.

Page 56, line 7:

Delete "3 and 6 - 90"

Insert "1, 4, 5, and 8 - 92"

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 55, line 29

Page 56, line 2

Page 56, line 4

Page 56, line 5

Page 56, line 7

0-LS0074\R.5
Cramer
4/23/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105(STA)

Page 36, lines 2 - 3:

Delete "legislator and a legislative director"

Insert "**person required to file a disclosure statement under AS 24.60.200** [LEGISLATOR AND A LEGISLATIVE DIRECTOR]"

Page 36, following line 5:

Insert a new bill section to read:

"* **Sec. 57.** AS 24.60.240 is amended to read:

Sec. 24.60.240. Civil penalty for late filing. A **person required to file a disclosure statement under AS 24.60.200** [LEGISLATOR OR A LEGISLATIVE DIRECTOR] who fails to file a properly completed report under AS 24.60.200 is subject to a civil penalty of not more than $10 a day for each day the delinquency continues as the Alaska Public Offices Commission determines, subject to appeal to the superior court. An affidavit stating facts in mitigation may be submitted to the Alaska Public Offices Commission by the person against whom the civil penalty is assessed. However, the imposition of the penalties prescribed in this section does not excuse the person from filing reports required by AS 24.60.200."

Renumber the following bill sections accordingly.

Page 36, line 7, following "**candidate**":

Insert "**, public member of the committee,**"

Page 36, lines 15 - 20:

Delete "**In addition to the sanctions described in AS 24.60.260, if the Alaska**

Public Offices Commission finds that a legislative director has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the Alaska Legislative Council or the Legislative Budget and Audit Committee, as appropriate. For the ombudsman, the Alaska Legislative Council shall be notified."

Page 36, following line 20:

Insert a new bill section to read:

"* Sec. 59. AS 24.60.250 is amended by adding new subsections to read:

(b) In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that a member of the committee has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the presiding officer of the appropriate legislative body. In the case of a public member of the committee, the commission shall notify both presiding officers.

(c) In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that a legislative director has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the Alaska Legislative Council or the Legislative Budget and Audit Committee, as appropriate. For the ombudsman, the Alaska Legislative Council shall be notified."

Renumber the following bill sections accordingly.

Page 40, line 15:

Delete "or 15 days after the person files a federal income tax return in each following year, whichever comes first"

Insert "[OR 15 DAYS AFTER THE PERSON FILES A FEDERAL INCOME TAX RETURN] in each following year [, WHICHEVER COMES FIRST]"

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 55, line 29

1 Page 56, line 2

2 Page 56, line 4

3 Page 56, line 5

4 Page 56, line 7

0-LS\0074\R.6
Cramer
4/23/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105(STA)

Page 15, lines 15 - 17:

Delete all material and insert:

"(2) legislator, within 48 hours before the fund raising event, made one or more trips at state expense to the place in which the fund raising event was to be held, each time leaving the place, and then, within the 48 hours, made a final trip to the place and the cost of the trip that immediately preceded the campaign fund raising event was not paid for at state expense; or"

Page 15, line 24, following "asks":

Delete "for"

Insert "directly for financial"

Page 47, lines 29 - 31:

Delete all material and insert:

"(2) official, within 48 hours before the fund raising event, made one or more trips at state expense to the place in which the fund raising event was to be held, each time leaving the place, and then, within the 48 hours, made a final trip to the place and the cost of the trip that immediately preceded the campaign fund raising event was not paid for at state expense."

Page 48, line 5, following "asks":

Delete "for"

Insert "directly for financial"

0-LS0074\R.7
Cramer
4/23/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105(STA)

Page 24, following line 1:

Insert a new bill section to read:

"* **Sec. 36.** AS 24.60.130(g) is amended to read:

(g) Each legislative member serves for the duration of the legislature during which the member is appointed. Each public member serves for a term that commences on the date the member is ratified and ends on the first day of the third regular session that follows the ratification. A public member whose term has expired continues in office until a successor has been appointed and ratified or until the 30th calendar day of the first legislative session that follows the successor's appointment, whichever is earlier **A member of the committee may be removed from membership on the committee for failure to carry out the person's duties as a member of the committee. A legislator may be removed with the concurrence by roll call vote of two-thirds of the full membership of the house of the legislature to which the member belongs. A public member may be removed with the concurrence by roll call vote of two-thirds of the full membership of each house of the legislature.**"

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 55, line 29

Page 56, line 2

Page 56, line 4

Page 56, line 5

Page 56, line 7

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105(STA)

Page 44, following line 18:

Insert a new bill section to read:

"* **Sec. 70.** AS 39.50.200(a)(1) is amended to read:

(1) "assistant to the governor **or lieutenant governor**" includes any executive, legislative, special, administrative, or press assistant to the governor **or lieutenant governor**, and any person similarly employed **in a policy-making position**;"

Renumber the following bill sections accordingly.

Page 44, line 31, through page 45, line 18:

Delete all material and insert:

"**(D) an assistant to the governor or lieutenant governor;**"

Page 45, line 25:

Delete "**and**"

Page 45, line 26, following "**(I)**":

Insert "**the executive director of the Alaska Human Resource Investment Council; and**

(J)"

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

1 Page 55, line 29
2 Page 56, line 2
3 Page 56, line 4
4 Page 56, line 5
5 Page 56, line 7

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: April 22, 1997 **FURTHER REFERRALS:** Finance

Date of Committee Action: 4/21/98

The STATE AFFAIRS Committee considered: CSSB 105(FIN) am

CS FOR SENATE BILL NO. 105(FIN) am ETHICS/LOBBYING/CAMPAIGN FINANCE

"An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state office; relating to the conduct and regulation of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

recommends it be replaced
with the following committee substitute House CS for CS SB 105(STA) [ ] the same title [✓] a new title

[ ] additional referral to _____ Committee
[ ] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

[✓] fiscal note(s) Law

[✓] zero fiscal note(s) Ethics Comm.

APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal note(s) _____

[ ] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
Jeannette James			✓	
			✓	
			✓	
			✓	
Joe Ryan			✓	
			✓	

CHAIR'S SIGNATURE Jeannette James

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HCS CS SB 105(STA)

Title: Relating to legislative and executive branch ethics . . .

Sponsor: Senate Rules

Requestor:

Dept. Affected: Select Comm on Legislative Ethics

BRU:

Components:

Serial #

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 98	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: Susan Barnett, staff
Select Comm. on Legis. Ethics

Date: 4.21.98

Phone: (907) 258-8172

Phone:

PAGE 1 OF 1

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HCS CSSB 105 (STA)

Revision Date (Note if correction) _____ Dept. Affected Law

Title An Act relating to legislative and executive branch ethics . . . . BRU Civil

Component Commercial Section

Sponsor Senate Rules

Requester House State Affairs Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	5.0	5.0	5.0	5.0	5.0	5.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	5.0	5.0	5.0	5.0	5.0	5.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0	5.0	5.0	5.0	5.0	5.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	5.0	5.0	5.0	5.0	5.0	5.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

HCS CSSB 105(STA) concerns campaign finance, APOC reporting, legislative ethics, and executive ethics. Its fiscal impact on the Department of Law stems largely from the amendments to the Executive Branch Ethics Act, AS 39.52, which is administered by the Department. Although several sections of the bill will require increased attorney time–for example, in enforcement, training, and attending Personnel Board meetings, the Department will manage these increases in attorney time without seeking an increased appropriation.

HCS CSSB 105(STA), however, also greatly increases the reporting functions of the Department. Under this bill, the Department will now receive self-reports of potential violations, and the designated supervisor's response to the reports. Sections 79, 80, & 81. The Department will also now receive reports of potential violations from third parties. Section 82. Section 83 gives the Department has a new duty to submit copies of quarterly reports to the Personnel

Prepared by Joan Kasson Phone 465-3600

Division Attorney General's Office Date 4/21/98

Approved by Commissioner Bruce M. Botelho, Attorney General Date _____

Agency Department of Law

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STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HCS CSSB 105(STA)

ANALYSIS CONTINUATION

89 requires the Department to forward complaints to the Personnel Board and prepare a montly status report of outstanding complaints for the Personnel Board to Review.

Current reporting duties under the Ethics Act are not performed by attorneys, but are assigned to a paraprofessional in the department. A paralegal can perform these duties more efficiently and at much less cost than an attorney. HCS CSSB 105(STA) will significantly increase the reporting duties of the department, but there are no general funds available to pay a paralegal for these tasks.

We estimate that increased reporting duties will require approximately 5.8 hours of paralegal time per month. Paralegal time currently costs the department $71.94 per hour. This translates into a fiscal note of $5,000 per year. First-year costs will be significantly greater due to the requirement of training and creation of new forms. Given that the bill does not become effective until the middle of the fiscal year, however, a $5,000 fiscal note for FY99 should cover paralegal start-up expenses.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILLNO. HCS CSSB 105(STA)

Revision Date: 4/23/98
Title: "An act relating to legislative and executive branch ethics...."
Sponsor: (S) Rules
Requestor: (H) STA

Department Affected: Administration
BRU: AK Public Offices Commissionn
Component: AK Public Office Commission

COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL	1.7	1.7	0.7	0.7	0.7	0.7
CONTRACTUAL	17.5	2.1	2.1	2.1	2.1	2.1
SUPPLIES	1.4	0.7	0.7	0.7	0.7	0.7
EQUIPMENT	0.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	21.1	4.5	3.5	3.5	3.5	3.5
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	21.1	4.5	3.5	3.5	3.5	3.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	21.1	4.5	3.5	3.5	3.5	3.5

Estimate of any current year (FY 98) cost: $ none

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
(See attached)

Received
4/24/98

Prepared by: Karen Boorman, Director
Division: Alaska Public Office Commission
Phone: 276-4176
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration
Date: 4/23/98

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ANALYSIS: (continued)

Additional Public officials must file Conflict of Interest Statements (COI). Public members of the Select Committee on Legislative Ethics (SCLE) must file Legislative Financial Disclosure Statements (LFD). Some Public Officials must file a Disclosures of Close Economic Association.

There are several parts of this bill which would impact the four laws the Alaska Public Offices Commission administers. Section 55, amending AS 24.60.200, requires the five public members of the SCLE and Section 70, amending AS 39.50.200(a), requires additional employees of the executive branch to file personal financial disclosure statements. Section 68 adding AS 39.50.030(d) requires that public officials of the executive branch, other than state boards or commission members, who file personal financial disclosure statements also file disclosures of close economic association with the APOC. The date for filing all financial disclosure statements is changed from April 15th, which it has been the deadline since 1974, to March 15.

Currently, the Commission receives about 800 personal financial disclosure statements from all state filers including 65 from legislators and legislative directors. Approximately 1100 municipal officials file municipal financial disclosure statements. Under the proposed changes to AS 24.60 the 5 public members of SCLE would be required to file annual Legislative Financial Disclosure (LFD) Reports. Approximately 180 additional state employees plus 10% annual turnover would be required to file annual Conflict of Interest (COI) Statements under AS 39.50. Under AS 39.50.030(d), up to 400 new and experienced state employee filers would be required to file annual disclosures of close economic association and update them within sixty days of forming new close economic associations, or in the case of a public official married to a lobbyist, within 48 hours.

Current staffing to advise and train filers, provide manuals and forms, review completed statements, assess penalties and report to the Commission is provided by one Paralegal Assistant. At current staffing levels, review of all municipal filings is not possible and review of state filings is sometimes delayed. However, no additional staff are requested with this fiscal note.

Most of these provisions will take effect midway through FY 99, on January 1, 1999. The first filing deadline for personal financial disclosure filers under the new requirements would be March 15th. Approximately 205 new Financial Disclosure Statements would be due. Additional manuals and forms will be necessary to provide immediate help. To provide long term guidance and enforcement, the Commission would provide advisory opinions, assess civil penalties and adjudicate complaints. Approximately 400 new and existing state official filers would have to file "disclosures of close economic association" with APOC. These filings would be available to the public upon request.

The significant changes to the Conflict of Interest and Legislative Financial Disclosure laws as well as amendments to the Lobbying and Campaign Disclosure (laws) will require extensive education of all disclosure filers and other participants in the political process. Additional funds are requested for travel and training of new filers (in Juneau) through seminars in the first two years (FY99 &FY00) of implementation and video training materials available long term.. Equipment costs in FY99 cover one filing cabinet. Contractual and supply costs cover printing and mailing of new manuals, forms and other necessary correspondence for FY99 and subsequent years. FY99 contractual costs also include upgrading and reprogramming the financial disclosure database, streamlining filing procedures and the development of video training materials.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HCS CSSB 105 (STA)

Revision Date: 4/21/98
Title: "An Act relating to legislative and executive branch ethics, . . ."
Sponsor: (S) Rules
Requestor: (H) STA

Department Affected: Administration
BRU: Personnel
Component: Personnel

COMPONENT SERIAL NO. 56

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY 97) cost: $0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill does not fiscally impact the Division of Personnel.

Prepared by: Beverly Reaume
Division: Division of Personnel
Phone: 465-4429
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration
Date: 4/23/98

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Title 15 = Campaign Finance

24 = Legis Ethics

39 = Exec Ethics
State Personnel

LAPD
Leg. Ethics
Fin. Disclosure

0-LS0074\Q
Cramer
4/20/98

adopted

HOUSE CS FOR CS FOR SENATE BILL NO. 105( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE SELECT COMMITTEE ON LEGISLATIVE ETHICS

A BILL

FOR AN ACT ENTITLED

"An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state or municipal office; relating to the conduct and regulation of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

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

*** Section 1.** AS 15.13.072(d) is amended to read:

(d) A candidate or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 **for election or reelection to the state legislature** may not solicit or accept a contribution **while** [IF] the legislature is convened in a regular or special legislative session **unless** [, AND] the **solicitation or acceptance occurs during the**

New Text Underlined [DELETED TEXT BRACKETED]

90 days immediately preceding an election in which the candidate or individual is a **candidate** [MEMBER OF THE LEGISLATURE, OR EMPLOYED AS A MEMBER OF THE LEGISLATOR'S STAFF OR AS A MEMBER OF THE STAFF OF A LEGISLATIVE COMMITTEE].

* **Sec. 2.** AS 15.13.074(c) is amended to read:

(c) A person or group may not make a contribution

(1) to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, [WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION,] before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the [GENERAL] election **when the office is to be filled at a general election or the date of the proclamation when the office is to be filled at a special election**;

(2) to a candidate for the state legislature or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for the state legislature [, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION,] while the legislature is convened in **a** [ITS] regular **or special** legislative session**, unless the contribution is made during the 90 days immediately preceding an election in which the candidate or individual is a candidate, or** [AND] before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as

authorized by AS 15.13.100; or

(B) January 1 of the year of the [GENERAL] election;

(3) to a candidate or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for an office that is to be filled at a [SPECIAL ELECTION OR] municipal election before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100;

(B) **the date that** is nine months before the date of the [GENERAL OR REGULAR] municipal election [OR THAT IS BEFORE THE DATE OF THE PROCLAMATION OF THE SPECIAL ELECTION AT WHICH THE CANDIDATE OR INDIVIDUAL SEEKS ELECTION TO PUBLIC OFFICE]; or

(4) to any candidate later than the 45th day

(A) after the date of a primary election if the candidate

(i) has been nominated at the primary election or is running as a write-in candidate; and

(ii) is not opposed at the general election;

(B) after the date of the primary election if the candidate was not nominated at the primary election; or

(C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the candidate was opposed at the general, municipal, or municipal runoff election.

* **Sec. 3.** AS 15.13.110(a) is amended to read:

(a) Each candidate and group shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date

three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 10 days after the election; and

(4) February 15 for expenditures made and contributions received that were not reported during the previous year, including, if applicable, all amounts expended from a **public** [LEGISLATIVE] office **expense term** account established under AS 15.13.116(a)(9) and all amounts expended from a municipal office account under AS 15.13.116(a)(10), or when expenditures were not made or contributions were not received during the previous year.

* **Sec. 4.** AS 15.13.116(a) is amended to read:

(a) A candidate who, after the date of the general, special, municipal, or municipal runoff election or after the date the candidate withdraws as a candidate, whichever comes first, holds unused campaign contributions shall distribute the amount held within 90 days. The distribution may only be made to

(1) pay bills incurred for expenditures reasonably related to the campaign and the winding up of the affairs of the campaign, and to pay expenditures associated with post-election fund raising that may be needed to raise funds to pay off campaign debts;

(2) pay for a victory or a thank you party costing less than $500, or to give a thank you gift of a value of less than $50 to a campaign employee or volunteer;

(3) make donations, without condition, to

(A) a political party;

(B) the state's general fund;

(C) a municipality of the state; or

(D) the federal government;

(4) make donations, without condition, to organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not controlled by the candidate or a member of the candidate's immediate family;

(5) repay loans from the candidate to the candidate's own campaign under AS 15.13.078(b);

(6) repay contributions to contributors, but only if repayment of the contribution is made pro rata in approximate proportion to the contributions made using one of the following, as the candidate determines:

(A) to all contributors;

(B) to contributors who have contributed most recently; or

(C) to contributors who have made larger contributions;

(7) establish a fund for, and from that fund to pay, attorney fees or costs incurred in the prosecution or defense of an administrative or civil judicial action that directly concerns a challenge to the victory or defeat of the candidate in the election;

(8) transfer all or a portion of the unused campaign contributions to an account for a future election campaign; a transfer under this paragraph is limited to

(A) $50,000, if the transfer is made by a candidate for governor or lieutenant governor;

(B) $10,000, if the transfer is made by a candidate for the state senate;

(C) $5,000, if the transfer is made by a candidate for the state house of representatives; and

(D) $5,000, if the transfer is made by a candidate for an office not described in (A) - (C) of this paragraph;

(9) transfer all or a portion of the unused campaign contributions to a **public** [LEGISLATIVE] office **expense term** account **or to a public office expense term account reserve in accordance with (d) of this section**; a transfer under this paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to the state legislature;

(B) the **public** [LEGISLATIVE] office **expense term** account established under this paragraph may be used only for expenses associated with the candidate's serving as a member of the legislature;

(C) all amounts expended from the **public** [LEGISLATIVE] office **expense term** account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000 multiplied by the number of years in the term to which the candidate is elected; and

(10) transfer all or a portion of the unused campaign contributions to a municipal office account; a transfer under this paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to municipal office, including a municipal school board;

(B) the municipal office account established under this paragraph may be used only for expenses associated with the candidate's serving as mayor or as a member of the assembly, city council, or school board;

(C) all amounts expended from the municipal office account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000.

* Sec. 5. AS 15.13.116 is amended by adding a new subsection to read:

(d) After a general or special election, a candidate for the state legislature who has been elected to the state legislature in that election may, from the amount retained in the public office expense term account reserve under this subsection, transfer to a public office expense term account not more than $5,000 each calendar year for use only for expenses associated with the candidate's serving as a member of the legislature. A candidate for the senate may transfer up to $20,000 from unused campaign contributions to a public office expense term account reserve. A candidate for the house of representatives may transfer up to $10,000 from unused campaign contributions to a public office expense term account reserve. The public office expense term account reserve may only be used to make transfers to the public office

expense term account. At the end of the candidate's term of office, a balance in the public office expense term account reserve must be disposed of as provided in (a) of this section but may not be disposed of as provided in (a)(1), (2), (5), or (7) - (10) of this section. All amounts expended under this subsection shall be annually accounted for under AS 15.13.110(a)(4).

*** Sec. 6.** AS 23.20.526(d) is amended to read:

(d) For the purposes of AS 23.20.525(a)(4) - (6) and (14), the term "employment" does not apply to service performed

(1) by a duly ordained, commissioned, or licensed minister of a church in the exercise of the person's ministry or by a member of a religious order in the exercise of duties required by the order;

(2) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market by an individual receiving the rehabilitation or remunerative work;

(3) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or any agency of a state or political subdivision of the state, by an individual receiving work relief or work training;

(4) for a state hospital by an inmate of a prison or correctional institution;

(5) in the employ of a school, college, or university [,] if the service is performed by a student who is enrolled and is regularly attending classes at the school, college, or university;

(6) by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution **that** [WHICH] normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at the institution, **that** [WHICH] combines academic

instruction with work experience, if the service is an integral part of the program, and the institution has so certified to the employer, except that this paragraph does not apply to service performed in a program established for or on behalf of an employer or group of employers;

(7) in the employ of a hospital, if the service is performed by a patient of the hospital, as defined in AS 23.20.520;

(8) in the employ of the state or a political subdivision of the state if the service is performed by an individual in the exercise of duties

(A) as a **judicial officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch, a person hired or appointed as the director of a division of a department in the executive branch, an assistant to the governor, a chair or member of a state commission or board, state investment officers and the state comptroller in the Department of Revenue, the executive director of the Alaska Tourism Marketing Council, an appointed or elected municipal officer** ["PUBLIC OFFICIAL" AS DEFINED IN AS 39.50.200(a)], any other elected official, the fiscal analyst of the legislative finance division, the legislative auditor of the legislative audit division, the executive director of the Legislative Affairs Agency, and the directors of the divisions within the Legislative Affairs Agency;

(B) as a member of the Alaska Army National Guard or Alaska Air National Guard or Alaska Naval Militia; or

(C) as an employee serving on only a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency;

(9) in the employ of

(A) a church or a convention or association of churches; or

(B) an organization **that** [WHICH] is operated primarily for religious purposes and **that** [WHICH] is operated, supervised, controlled, or principally supported by a church or a convention or association of churches.

*** Sec. 7.** AS 24.25.010(e) is amended to read:

(e) This section does not apply to the legislative council**, the Select**

Committee on Legislative Ethics, or [NOR TO] the Legislative Budget and Audit Committee.

* **Sec. 8.** AS 24.45.041(b) is amended to read:

The registration form prescribed by the commission must include

(1) the lobbyist's full name and complete permanent residence and business address and telephone number, as well as any temporary residential and business address and telephone number in the state capital during a legislative session;

(2) the full name and complete address of each person by whom the lobbyist is retained or employed;

(3) whether the person from whom the lobbyist receives compensation employs the person solely as a lobbyist or whether the person is a regular employee performing other services for the employer **that** [WHICH] include but are not limited to the influencing of legislative or administrative action;

(4) the nature or form of the lobbyist's compensation for engaging in lobbying, including salary, fees, or reimbursement for expenses received in consideration for, or directly in support of or in connection with, the influencing of legislative or administrative action;

(5) a general description of the subjects or matters on which the registrant expects to lobby or to engage in the influencing of legislative or administrative action;

(6) the full name and complete address of the person, if other than the registrant, who has custody of the accounts, books, papers, bills, receipts, and other documents required to be maintained under this chapter;

(7) the identification of a legislator, legislative employee, or public official to whom the lobbyist is married or who is the spousal equivalent of the lobbyist; in this paragraph, "spousal equivalent" has the meaning given in AS 39.50.030(g).

* **Sec. 9.** AS 24.45.171(12) is amended to read:

(12) "public official" or "public officer" means

(A) a public official as defined in AS 39.50.200(a) **but does not include a judicial officer or an elected or appointed municipal officer;**

(B) [,] a member of the legislature; [,] or

(C) an upper-level employee [A LEGISLATIVE DIRECTOR] as defined in AS 24.60.990(a) [; HOWEVER, IT DOES NOT INCLUDE A JUDICIAL OFFICER OR AN ELECTED OR APPOINTED MUNICIPAL OFFICER].

* **Sec. 10.** AS 24.60.030(a) is amended to read:

(a) A legislator or legislative employee may not

(1) solicit, agree to accept, or accept a benefit other than official compensation for the performance of public duties; this paragraph may not be construed to prohibit lawful solicitation for and acceptance of campaign contributions or the acceptance of a lawful gratuity under AS 24.60.080;

(2) use public funds, facilities, equipment, services, or another government asset or resource for a nonlegislative [NONGOVERNMENTAL] purpose, for involvement in or support of or opposition to partisan political activity, or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and either the cost or value related to the use is nominal or the legislator or legislative employee reimburses the state for the cost of the use;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nonlegislative [NONGOVERNMENTAL] purposes; [OR]

(C) telephone or facsimile use that does not carry a special charge;

(D) the legislative council, notwithstanding AS 24.05.190, from designating a public facility for use by legislators and legislative employees for health or fitness purposes; when the council designates a facility to be used by legislators and legislative employees for health or fitness purposes, it shall adopt guidelines governing access to and use of the facility; the guidelines may establish times in which use of the facility

is limited to specific groups; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nonlegislative purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others;

(3) knowingly seek, accept, use, allocate, grant, or award public funds for a purpose other than that approved by law, or make a false statement in connection with a claim, request, or application for compensation, reimbursement, or travel allowances from public funds;

(4) require a legislative employee to perform services for the private benefit of the legislator or employee at any time, or allow a legislative employee to perform services for the private benefit of a legislator or employee on government time; it is not a violation of this paragraph if the services were performed in an unusual or infrequent situation and the person's services were reasonably necessary to permit the legislator or legislative employee to perform official duties;

(5) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for the purpose of political fund raising or campaigning; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and **either** the cost or value related to the use is nominal **or the legislator or legislative employee reimburses the state for the cost of the use;**

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for **nonlegislative** [NONGOVERNMENTAL] purposes; [OR]

(C) telephone **or facsimile** use that does not carry a special charge;

(D) storing or maintaining, consistent with (b) of this section, election campaign records in a legislator's office; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nonlegislative purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others.

*** Sec. 11.** AS 24.60.030(c) is repealed and reenacted to read:

(c) Unless approved by the committee, during a campaign period for an election in which the legislator or legislative employee is a candidate, a legislator or legislative employee may not use or permit another to use state funds, other than funds to which the legislator is entitled under AS 24.10.110, to print or distribute a political mass mailing to individuals eligible to vote for the candidate. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before the date of an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election, or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or general or special election;

(2) a mass mailing is considered to be political if it is from or about a legislator, legislative employee, or another person who is a candidate for election or reelection to the legislature or another federal, state, or municipal office or to the board of an electric or telephone cooperative.

* **Sec. 12.** AS 24.60.030(d) is amended to read:

(d) A legislator, **legislative employee,** or another person on behalf of the legislator **or legislative employee,** or a campaign committee of the legislator **or legislative employee,** may not distribute or post campaign literature, placards, posters, **fund-raising notices,** or other communications intended to influence the election of a candidate in an election in public areas in a facility ordinarily used to conduct state government business. **This prohibition applies whether or not the election has been concluded. However, a legislator may post, in the legislator's private office, communications related to an election that has been concluded.**

* **Sec. 13.** AS 24.60.030(f) is amended to read:

(f) A legislative employee may not serve in a position that requires confirmation by the legislature. A legislator or legislative employee may serve on a board of an organization, including a governmental entity, that regularly has a substantial interest in the legislative activities of the legislator or employee [,] if the legislator or employee discloses the board membership to the committee. **A legislator or legislative employee who is required to make a disclosure under this subsection shall file the disclosure with the committee by the deadlines set out in AS 24.60.105 stating the name of each organization on whose board the person serves. The committee shall maintain a public record of the disclosure and forward the disclosure to the appropriate house for inclusion in the journal. This subsection does not require a legislator or legislative employee who is appointed to a board by the presiding officer to make a disclosure of the appointment to the committee if the appointment has been published in the appropriate legislative journal during the calendar year.**

* **Sec. 14.** AS 24.60.030(g) is amended to read:

(g) Unless required by the Uniform Rules of the Alaska State Legislature, a legislator [OR LEGISLATIVE EMPLOYEE] may not **vote on a question** [PARTICIPATE IN LEGISLATIVE, ADMINISTRATIVE, OR POLITICAL ACTION] if the legislator [OR LEGISLATIVE EMPLOYEE] has an equity or ownership interest in a business, investment, real property, lease, or other enterprise if the interest is substantial and the effect of the action **to be voted on** on that interest is greater than

the effect on a substantial class of persons to which the legislator [OR LEGISLATIVE EMPLOYEE] belongs as a member of a profession, occupation, industry, or region.

* **Sec. 15.** AS 24.60.030 is amended by adding a new subsection to read:

(h) An employee who engages in political campaign activities other than incidental campaign activities during the employee's work day shall take leave for the period of campaigning. Political campaign activities while on government time are permissible if the activities are part of the normal legislative duties of the employee, including answering telephone calls and handling incoming correspondence.

* **Sec. 16.** AS 24.60.031(a) is amended to read:

(a) A legislator or legislative employee may not

(1) **on a day when either house of** [WHILE] the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a **campaign for the state legislature; however, a legislator may solicit or accept a contribution, promise, or pledge for a campaign for the state legislature that occurs during the 90 days immediately preceding an election in which the legislator is a candidate for the state legislature** [STATE LEGISLATIVE CAMPAIGN];

(2) accept money from an event held **on a day when either house of the legislature is in regular or special** [DURING A LEGISLATIVE] session if a substantial purpose of the event is [EITHER] to raise money on behalf of the member or legislative employee for [CAMPAIGN PURPOSES OR TO RAISE MONEY FOR] state legislative political purposes; **however, this paragraph does not prohibit a legislator from accepting money from an event held during the 90 days immediately preceding an election in which the legislator is a candidate for the state legislature;** or

(3) **in a campaign for the state legislature,** expend money **that was raised on a day when either house of the legislature was** in a [STATE] legislative **session** [CAMPAIGN THAT WAS RAISED] by or on behalf of a legislator [DURING A LEGISLATIVE SESSION] under **a declaration of candidacy or** a general letter of intent to become a candidate for public office**; however, this paragraph does not apply to money raised during the 90 days immediately preceding an election in**

which the legislator is a candidate for the state legislature.

* **Sec. 17.** AS 24.60.031 is amended by adding new subsections to read:

(c) A legislator may not travel at state expense to a place in which the legislator plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit a legislator from holding a campaign fund raising event in a place to which the legislator traveled at state expense if the

(1) travel to the place is completed at least 48 hours before the event was scheduled to begin;

(2) legislator made a trip at state expense to a place, returned from that place, and then, within 48 hours, made a second trip to the place and the cost of the second trip was not paid for at state expense; or

(3) travel was to the capital city immediately before the beginning of a legislative session or from the capital city to the legislator's home immediately after the final adjournment of a regular or special legislative session.

(d) In (c) of this section, an event is considered to be a campaign fund raising event only if the legislator, or another person acting on behalf of the legislator with the legislator's express or implied permission,

(1) asks for contributions for the legislator's campaign at the event;

(2) announces that the legislator will accept contributions for the legislator's campaign at the event; or

(3) otherwise uses the event in a manner that clearly demonstrates that a primary purpose of the event is to raise contributions for the legislator's campaign; the fact that a legislator received campaign contributions at an event is insufficient, without other evidence, to satisfy the proof required by this paragraph.

* **Sec. 18.** AS 24.60.039 is amended by adding a new subsection to read:

(b) If a person files a complaint with the committee under AS 24.60.170 alleging a violation of this section, the committee may refer the complainant to the State Commission for Human Rights and may defer its consideration of the complaint until after the complainant establishes to the satisfaction of the committee that the commission has completed its proceedings in the matter.

* **Sec. 19.** AS 24.60.040(a) is amended to read:

(a) A legislator or legislative employee, or a member of the immediate family of a legislator or legislative employee, may not be a party to or have an interest in a state contract or lease unless the contract or lease is let [THROUGH COMPETITIVE SEALED BIDDING] under AS 36.30 (State Procurement Code) **or, for agencies that are not subject to AS 36.30, under similar procedures,** or the total annual amount of the state contract or lease is **$5,000** [$1,000] or less, or is a standardized contract or lease that was developed under publicly established guidelines and is generally available to the public at large, members of a professior occupation, or group. A person has an interest in a state contract or lease under this section if the person receives direct or indirect financial benefits. **A legislator or legislative employee who participates in, or who knows or reasonably should know that a family member is participating in, a state contract or lease that has an annual value of $5,000 or more shall disclose the participation to the committee by the date required under AS 24.60.105. The legislator or legislative employee shall also disclose the renegotiation of a state contract or lease if the original had to be disclosed under this section or if, as a result of renegotiation, disclosure is required under this section. The disclosure must state the amount of the contract or lease and the name of the state agency issuing the contract or lease and must identify the procedures under which the contract or lease was issued. If the disclosure concerns a contract or lease in which a family member of the discloser is participating, the disclosure must identify the relationship between the participant and the discloser.**

* **Sec. 20.** AS 24.60.040 is amended by adding a new subsection to read:

(c) This section does not apply to a contract or lease issued under a state program or loan that is subject to AS 24.60.050. A grant that results in a contract but that is not subject to AS 24.60.050 is subject to this section.

* **Sec. 21.** AS 24.60.050(c) is amended to read:

(c) A legislator or legislative employee who participates in a program or receives a loan that is not exempt from disclosure under (a) of this section shall file a written report with the committee by **the date required under AS 24.60.105**

[FEBRUARY 15 OF EACH YEAR] stating the amounts of the loans outstanding or benefits received during the preceding calendar year from nonqualifying programs. If the committee requests additional information necessary to determine the propriety of participating in the program or receiving the loan, it shall be promptly provided. The committee shall promptly compile a list of the statements indicating the loans and programs and amounts and send it to the presiding officer of each house who shall have it published in the supplemental journals within three weeks **after** [OF] the filing date. **A legislator or legislative employee who believes that disclosure of participation in a program would be an invasion of the participant's right to privacy under the state constitution may request the committee to keep the disclosure confidential. If the committee finds that publication would constitute an invasion of privacy, the committee shall publish only the fact that a person has participated in the program and the amount of benefit that the unnamed person received. The committee shall maintain the disclosure of the name of the person as confidential and may only use the disclosure in a proceeding under AS 24.60.170. If the disclosure becomes part of the record of a proceeding under AS 24.60.170, the disclosure may be made public as provided in that section.**

* **Sec. 22.** AS 24.60.060 is amended by adding a new subsection to read:

(b) A legislator or legislative employee who is the subject of a complaint under AS 24.60.170 violates this section if the legislator or legislative employee violates a protective order issued under AS 24.60.170(i).

* **Sec. 23.** AS 24.60.070(b) is amended to read:

(b) **A legislator or legislative employee required to make a disclosure under this section shall make a disclosure by the date set under AS 24.60.105 of the legislator's or legislative employee's close economic associations then in existence.** A disclosure under this section must be sufficiently detailed that a reader of the disclosure can ascertain the nature of the association.

* **Sec. 24.** AS 24.60.070 is amended by adding a new subsection to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the legislator or legislative employee is married or who is the legislator's or legislative employee's spousal equivalent, the legislator or

legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received by the lobbyist from the lobbyist's employer. The legislator or legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person.

* **Sec. 25.** AS 24.60.080(a) is amended to read:

(a) **Except as otherwise provided in this section, a** [A] legislator or legislative employee may not solicit, accept, or receive, directly or indirectly, a gift worth **$250** [$100] or more, whether in the form of money, services, a loan, travel, entertainment, hospitality, promise, or other form, or gifts from the same person worth less than **$250** [$100] that in a calendar year aggregate to **$250** [$100] or more in value**. Except for food or beverage for immediate consumption, a legislator or legislative employee** [, AND] may not solicit, accept, or receive during a legislative session a gift with any monetary value from a lobbyist or a person acting on behalf of a lobbyist.

* **Sec. 26.** AS 24.60.080(c) is amended to read:

(c) Notwithstanding (a) of this section, it is not a violation of this section for a legislator or legislative employee to accept

(1) hospitality, other than hospitality described in (4) of this subsection,

(A) with incidental transportation at the residence of a person; **however, a vacation home located outside the state is not considered a residence for the purposes of this subparagraph;** or

(B) at a social event or meal;

(2) discounts that are available

(A) generally to the public or to a large class of persons to which the person belongs; **or**

(B) when on official state business, but only if receipt of the discount benefits the state;

(3) food or foodstuffs indigenous to the state that are shared generally as a cultural or social norm;

(4) travel and hospitality primarily for the purpose of obtaining information on matters of legislative concern;

(5) gifts from the immediate family of the person; [OR]

(6) gifts that are not connected with the recipient's legislative status; **or**

(7) a discount for all or part of a legislative session, including time immediately preceding or following the session, or other gift to welcome a legislator or legislative employee who is employed on the personal staff of a legislator or by a standing or special committee to the capital city or in recognition of the beginning of a legislative session if the gift or discount is available generally to all legislators and the personal staff of legislators and staff of standing and special committees; this paragraph does not apply to legislative employees who are employed by the Legislative Affairs Agency, the office of the chief clerk, the office of the senate secretary, the legislative budget and audit committee, or the office of the ombudsman.

* **Sec. 27.** AS 24.60.080(d) is amended to read:

(d) A legislator or legislative employee who accepts a gift under (c)(4) [OR (6)] of this section shall disclose the gift if it has a value of **$250** [$100] or more**; the** [. THE] disclosure must include the name and occupation of the person making the gift, [AND] the approximate value of the gift**, and** [. A GIFT UNDER (c)(4) OF THIS SECTION REQUIRED TO BE DISCLOSED UNDER THIS SUBSECTION] shall be disclosed **to the committee** within 30 days **after** [OF] the receipt of the gift**. Except as provided in (i) of this section, a gift** [TO THE COMMITTEE. GIFTS] under (c)(6) of this section **that has a value of $250 or more** shall be disclosed to the committee annually on or before **February 15** [APRIL 15] of the following calendar year**; the** [AND THE] disclosure needs to include **only a description of the gift and the identity of the donor** [THE VALUE ONLY IF THE VALUE OF THE GIFT EXCEEDS $250]. The committee shall maintain a public record of the disclosure it receives relating to gifts under (c)(4) of this section and shall forward the disclosure to the appropriate house for inclusion in the journal. Disclosures relating to gifts under (c)(6) of this section shall be maintained, but are confidential and may only be used

by the committee and its employees and contractors in the investigation of a possible violation of this section or in a proceeding under AS 24.60.170. If the disclosures become part of the record of a proceeding under AS 24.60.170, the confidentiality provisions of that section apply to the disclosures. **The committee shall forward to the Alaska Public Offices Commission copies of the disclosures concerning gifts under (c)(4) of this section that it receives from legislative employees who are required to file financial disclosure statements under AS 24.60.200 and from legislators.**

*** Sec. 28.** AS 24.60.080(e) is amended to read:

(e) A political contribution [THAT IS REPORTED UNDER AS 15.13.040] is not a gift under this section **if it is reported under AS 15.13.040 or is exempt from the reporting requirement under AS 15.13.040(g)**.

*** Sec. 29.** AS 24.60.080(f) is amended to read:

(f) Notwithstanding (a) of this section, a legislator or legislative employee may accept a gift of property worth **$250** [$100] or more, other than money, from **another** [A FOREIGN] government or from an official of **another** [A FOREIGN] government if the person accepts the gift on behalf of the legislature. The person shall, within 60 days **after** [OF] receiving the gift, deliver the gift to the legislative council, which shall determine the appropriate disposition of the gift. **In this subsection, "another government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.**

*** Sec. 30.** AS 24.60.080(g) is amended to read:

(g) In this section, "immediate family" **or "family member" means**

(1) the spouse of the person;

(2) the person's spousal equivalent;

(3) a child, including a stepchild and an adoptive child, of the person or of the person's spousal equivalent;

(4) a parent, sibling, grandparent, aunt, or uncle of the person; and

(5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse or the person's spousal equivalent; and

(6) a stepparent, stepsister, stepbrother, step-grandparent, step-

aunt, or step-uncle of the person, the person's spouse, or the person's spousal equivalent [HAS THE MEANING GIVEN IN AS 24.60.990(a)(5) AND INCLUDES THE GRANDPARENTS, AUNTS, AND UNCLES OF A PERSON, ALSO INCLUDES A PERSON DESCRIBED IN THIS SUBSECTION OR AS 24.60.990(a)(5) WHO IS RELATED TO THE PERSON BY MARRIAGE].

* **Sec. 31.** AS 24.60.080 is amended by adding new subsections to read:

(h) Notwithstanding (a) of this section, a legislator or legislative employee may solicit, accept, or receive a gift on behalf of a recognized, nonpolitical charitable organization.

(i) A legislator, a legislative committee other than the Select Committee on Legislative Ethics, or a legislative agency may accept (1) a gift of volunteer services for legislative purposes so long as the person making the gift of services is not receiving compensation from another source for the services or (2) a gift of the services of a trainee who is participating in an educational program approved by the committee if the services are used for legislative purposes. The committee shall approve training under a program of the University of Alaska and training under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act). A legislative volunteer or educational trainee shall be considered to be a legislative employee for purposes of compliance with AS 24.60.030 - 24.60.039, 24.60.060, 24.60.080, 24.60.085, 24.60.158 - 24.60.170, 24.60.176, and 24.60.178. If a person believes that a legislative volunteer or educational trainee has violated the provisions of one of those sections, the person may file a complaint under AS 24.60.170. The provisions of AS 24.60.170 apply to the proceeding.

(j) A legislator or legislative employee who knows or reasonably should know that a family member has received a gift because of the family member's connection with the legislator or legislative employee shall report the receipt of the gift by the family member to the committee if the gift would have to be reported under this section if it had been received by the legislator or legislative employee or if receipt of the gift by a legislator or legislative employee would be prohibited under this section.

(k) In this section, the value of a gift shall be determined by the fair market value of the gift to the extent that the fair market value can be determined.

* **Sec. 32.** AS 24.60.085(a) is amended to read:

(a) A legislator or legislative employee may not

(1) seek or accept compensation for personal services that **is significantly greater than the value of** [INVOLVES PAYMENTS THAT ARE NOT COMMENSURATE WITH] the services rendered taking into account the higher rates generally charged by specialists in a profession; or

(2) accept a payment of anything of value, except for actual and necessarily incurred travel expenses, for an appearance or speech by the legislator or legislative employee; this paragraph does not apply to the salary paid to a legislator or legislative employee for making an appearance or speech as part of the legislator's or legislative employee's normal course of employment.

* **Sec. 33.** AS 24.60.100 is amended to read:

Sec. 24.60.100. Representation. A legislator or legislative employee who represents another person for compensation before an agency, board, or commission of the state shall disclose the name of the person represented, the subject matter of the representation, and the body before which the representation is to take place to the committee. **The disclosure shall be made by the deadlines set out in AS 24.60.105.** The committee shall maintain a public record of a [THE] disclosure under this section and forward the disclosure to the respective house for inclusion in the journal. A legislator or legislative employee may not represent another person for compensation before an agency, committee, or other entity of the legislative branch.

* **Sec. 34.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.105. Deadlines for filing disclosures. (a) When a legislator or legislative employee is required to file a disclosure under this chapter and a date by which the disclosure must be filed is not otherwise set by statute, the deadlines set out in this section shall apply. For disclosure of a matter or an interest that began or was acquired during the interim between regular legislative sessions, whether or not the regular session is extended or there is a special session, or during the last 30 days of a regular session, the legislator or legislative employee shall disclose the matter by February 15. For disclosure of a matter or an interest that began or was acquired during a regular legislative session, but not during the last 30 days of the regular

session, the disclosure must be made within 30 days after the commencement of the interest or representation.

(b) Disclosures under the following statutes are subject to the deadlines set out in this section:

(1) service on the board of an organization as set out in AS 24.60.030(f);

(2) an interest in a state contract or lease under AS 24.60.040 and the renegotiation of the terms of a state contract or lease that materially affect the obligations of either party;

(3) participation in a state program or receipt of a state loan under AS 24.60.050 and the renegotiation of the terms of the program or loan if the renegotiation materially affects the obligations of either party;

(4) formation or maintenance of a close economic association under AS 24.60.070;

(5) representation of a client under AS 24.60.100.

* **Sec. 35.** AS 24.60.130(f) is amended to read:

(f) The committee may contract for professional services and may employ staff as it considers necessary. A committee employee, including a person who provides personal services under a contract with the committee, may not be a legislator, an elected or appointed official of a state or local governmental entity, an officer of a political party, a candidate for public office, or a registered lobbyist. The legislative council shall provide office space, equipment, and additional staff support for the committee. The committee shall submit a budget for each fiscal year to the finance committees of the legislature and shall annually submit an estimated budget to the governor for information purposes in preparation of the state operating budget. **Public members of the committee serve without compensation for their services, but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.**

* **Sec. 36.** AS 24.60.130(h) is amended to read:

(h) A member is disqualified from participating as a member in any proceeding before the committee involving a complaint against the member **or an**

employee whose work is supervised by the member or an advisory opinion requested by the member. If **a regular legislative member of the committee is disqualified under this subsection from participating in a proceeding involving a complaint, an alternate shall be appointed under (o) of this section** [THE LEGISLATURE IS IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED UNDER THIS SUBSECTION, THE PRESIDING OFFICER OF THAT MEMBER'S HOUSE SHALL, WITH THE CONCURRENCE BY ROLL CALL VOTE OF TWO-THIRDS OF THE FULL MEMBERSHIP OF THAT HOUSE, APPOINT ANOTHER MEMBER FROM THAT HOUSE TO ACT AS A MEMBER OF THE COMMITTEE IN THE PROCEEDING. IF THE LEGISLATURE IS NOT IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED, THE PRESIDING OFFICER OF THE HOUSE OF WHICH THE DISQUALIFIED LEGISLATOR IS A MEMBER SHALL APPOINT ANOTHER MEMBER FROM THAT HOUSE, WITH A RECORDED CONCURRENCE OF A MAJORITY VOTE OF THE SUBCOMMITTEE OF THAT HOUSE, TO ACT AS A MEMBER OF THE COMMITTEE IN THE PROCEEDING].

* **Sec. 37.** AS 24.60.130 is amended by adding a new subsection to read:

(o) When appointing members of the legislature to serve on the committee, the speaker of the house or the president of the senate, as appropriate, shall appoint an alternate member for each regular member. An alternate must have the same qualifications as the regular member for whom the alternate stands as alternate and is subject to confirmation as required for the regular member. If a regular legislative member of the committee or a subcommittee is disqualified under (h) of this section from serving on the committee or the subcommittee concerning a proceeding under AS 24.60.170, the chair of the committee or a subcommittee shall designate the regular member's alternate to serve in place of the regular member in the proceeding unless the alternate is also disqualified from serving. The designation shall be treated as confidential to the same extent that the identity of the subject of a complaint is required to be kept confidential.

* **Sec. 38.** AS 24.60.134(a) is amended to read:

(a) **Except as provided in (c) of this section, in** [IN] addition to **complying**

with the **other** requirements of this chapter, a public member of the committee, an employee of the committee, or a person under contract to provide personal services to the committee may not**, during the person's term of office or employment or during the life of the contract, participate in**

(1) [PARTICIPATE IN] political management or in a political campaign **for a candidate for election to federal, state, or local office, regardless of whether the campaign is partisan or nonpartisan, or for passage or defeat of a ballot measure of any type** [DURING THE PERSON'S TERM OF OFFICE, EMPLOYMENT, OR CONTRACT];

(2) [PARTICIPATE IN] the campaign of, attend campaign fund-raising events for, or make a financial contribution to

(A) a candidate for the legislature;

(B) an incumbent legislator or legislative employee who is a candidate for another public office; or

(C) a person running for another office against an incumbent legislator or legislative employee; [OR]

(3) **a fund-raising event held on behalf of a political party or attend a political party fund-raising event; or**

(4) [PARTICIPATE IN] lobbying activities that would require the person to register as a lobbyist except as required to inform the legislature concerning legislation requested by the committee or other matters related to the committee.

*** Sec. 39.** AS 24.60.134 is amended by adding a new subsection to read:

(c) A person under contract to provide personal services to the committee who is part of a corporation or partnership that includes individuals who will not be participating directly in the work performed by the entity for the committee may request the committee to exclude members of the entity from some or all of the provisions of this section. The committee may grant the request if it finds that doing so will not lead to the appearance that the committee is subject to undue political influence and if there is no appearance of impropriety.

*** Sec. 40.** AS 24.60.160 is amended to read:

Sec. 24.60.160. Advisory opinions. (a) On the request of a person to

whom this chapter applies or who has been newly elected to the legislature, the [THE] committee shall issue an advisory opinion within **60** [30] days [ON THE REQUEST OF A PERSON TO WHOM THE CHAPTER APPLIES OR A PERSON ELECTED TO THE LEGISLATURE WHO AT THE TIME OF ELECTION IS NOT A MEMBER OF THE LEGISLATURE] as to whether the facts and circumstances of a particular case constitute a violation of ethical standards. **If it finds that it is advisable to do so, the committee may issue an opinion under this section on the request of a person who reasonably expects to become subject to this chapter within the next 45 days.** The **60-day** [30-DAY] period for issuing an opinion may be extended by the committee if the person requesting the opinion consents.

(b) An [THE] opinion issued **under this section** is binding on the committee in any subsequent proceedings concerning the facts and circumstances of the particular case unless material facts were omitted or misstated in the request for the advisory opinion. Except as provided in this chapter, an advisory opinion is confidential but shall be made public if a written request by the person who requested the opinion is filed with the committee. **A person who requested an opinion, including a legislator, may not require admittance to an executive session of the committee when it is deliberating concerning the advisory opinion.**

*** Sec. 41.** AS 24.60.170(a) is amended to read:

(a) The committee shall consider a complaint alleging a violation of this chapter if the alleged violation occurred within five years **before** [OF] the date that the complaint is filed with the committee and, when the subject of the complaint is a former member of the legislature, the complaint is filed within one year **after** [OF] the subject's departure from the legislature. The committee may not consider a complaint filed against **all members of the legislature, against all members of one house of the legislature, or against** a person employed by the legislative branch of government after the person has terminated legislative service. **However, the committee may reinstitute proceedings concerning a complaint that was closed because a former employee terminated legislative service or because a legislator left the legislature if the former employee or legislator resumes legislative service, whether as an employee or a legislator, within five years after the alleged violation.** The

committee may also initiate complaints on its own motion, subject to the same time limitations. The time limitations of this subsection do not bar proceedings against a person who intentionally prevents discovery of a violation of this chapter.

* **Sec. 42.** AS 24.60.170(b) is amended to read:

(b) A complaint may be initiated by any person. The complaint must be in writing and signed under oath by the person making the complaint **and must contain a statement that the complainant has reason to believe that a violation of this chapter has occurred and describe any facts known to the complainant to support that belief**. The committee shall upon request provide a form for a complaint to a person wishing to file a complaint. **Upon receiving a complaint, the committee shall advise the complainant that the committee or the subject of the complaint may ask the complainant to testify at any stage of the proceeding as to the complainant's belief that the subject of the complaint has violated this chapter. The committee shall respond to a complaint concerning the conduct of a candidate for election to state office received during the campaign period in accordance with (o) of this section. The committee shall treat a complaint concerning the conduct of a candidate for election to state office that is pending at the beginning of a campaign period in accordance with (p) of this section.** The committee shall immediately provide a copy of the complaint to the person who is the subject of the complaint.

* **Sec. 43.** AS 24.60.170(c) is amended to read:

(c) When the committee receives a complaint under (a) of this section, it **may assign the complaint to a staff person. The staff person shall conduct a preliminary examination of the complaint and advise the committee whether the allegations of the complaint, if true, constitute a violation of this chapter and whether there is credible information to indicate that a further investigation and proceeding is warranted. The staff recommendation shall be based on the information and evidence contained in the complaint as supplemented by the complainant and by the subject of the complaint, if requested to do so by the staff member. The committee shall consider the recommendation of the staff member, if any, and** shall determine whether the allegations of the complaint, if true, constitute

a violation of this chapter. If the committee determines that the allegations, if proven, would not give rise to a violation, **that the complaint is frivolous on its face, that there is insufficient credible information that can be uncovered to warrant further investigation by the committee,** or **that** [IF] the committee's lack of jurisdiction is apparent on the face of the complaint, the committee shall dismiss the complaint [,] and shall notify the complainant and the subject of the complaint of the dismissal. **The committee may ask the complainant to provide clarification or additional information before it makes a decision under this subsection and may request information concerning the matter from the subject of the complaint. Neither the complainant nor the subject of a complaint is obligated to provide the information. A proceeding conducted under this subsection, documents that are part of a proceeding, and a dismissal under this subsection are confidential as provided in (l) of this section unless the subject of the complaint waives confidentiality as provided in that subsection.**

*** Sec. 44.** AS 24.60.170(f) is amended to read:

(f) If the committee determines after investigation that there is not probable cause to believe that the subject of the complaint has violated this chapter, the committee shall dismiss the complaint. The committee may also dismiss portions of a complaint if it finds no probable cause to believe that the subject of the complaint has violated this chapter as alleged in those portions. The committee shall issue a decision explaining its dismissal. **Committee deliberations and vote on the dismissal order and decision are not open to the public or to the subject of the complaint.** A copy of the dismissal order and decision shall be sent to the complainant and to the subject of the complaint. Notwithstanding (l) of this section, a dismissal order and decision is open to inspection and copying by the public.

*** Sec. 45.** AS 24.60.170(g) is amended to read:

(g) If the committee investigation determines that a probable violation of this chapter exists that may be corrected by action of the subject of the complaint and that does not warrant sanctions other than correction, the committee may issue an opinion recommending corrective action. This opinion shall be provided to the complainant and to the subject of the complaint, and is open to inspection by the public. The

subject of the complaint may comply with the opinion or may request a hearing before the committee under (j) of this section. After the hearing, the committee may amend or affirm the opinion. **If the subject of the complaint agrees to comply with the opinion but later fails to complete the corrective action in a timely manner, the committee may formally charge the person as provided in (h) of this section or may refer the matter to the appropriate house of the legislature, in the case of a legislator, or, in the case of a legislative employee, to the employee's appointing authority. The appropriate house of the legislature or the appointing authority, as appropriate, may take action to enforce the corrective action or may decline to take action and refer the matter to the committee. In either case, the committee may formally charge the person under (h) of this section.**

* **Sec. 46.** AS 24.60.170(h) is amended to read:

(h) If the subject of a complaint fails to comply with an opinion **and the committee decides** [ISSUED] under (g) of this section **to charge the person**, or if the committee determines after investigation that there is probable cause to believe that the subject of the complaint has committed a violation of this chapter that may require sanctions instead of or in addition to corrective action, the committee shall formally charge the person. The charge shall be served on the person charged, in a manner consistent with the service of summons under the rules of civil procedure, and a copy of the charge shall be sent to the complainant. The person charged may file a responsive pleading to the committee admitting or denying some or all of the allegations of the charge.

* **Sec. 47.** AS 24.60.170(i) is amended to read:

(i) A person charged under **(h)** [(b)] of this section may engage in discovery in a manner consistent with the Alaska Rules of Civil Procedure. The committee may **adopt procedures that**

(1) impose reasonable restrictions on the time for this discovery and on the materials that may be discovered**;**

(2) permit a person who is the subject of a complaint to engage in discovery at an earlier stage of the proceedings;

(3) impose reasonable restrictions on the release of information that

the subject of a complaint acquires from the committee in the course of discovery, or on information obtained by use of the committee's authority, in order to protect the privacy of persons not under investigation to whom the information pertains; however, the committee may not impose restrictions on the release of information by the subject of the complaint unless the complainant has agreed to be bound by similar restrictions and has not made public the information contained in the complaint, information about the complaint, or the fact of filing the complaint.

*** Sec. 48.** AS 24.60.170(l) is amended to read:

(l) Proceedings of the committee relating to complaints before it are confidential until the committee determines that there is probable cause to believe that a violation of this chapter has occurred. The complaint and all documents produced or disclosed as a result of the committee investigation are confidential and not subject to inspection by the public. If in the course of an investigation or probable cause determination the committee finds evidence of probable criminal activity, the committee shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the committee finds evidence of a probable violation of AS 15.13, the committee shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission. All meetings of the committee before the determination of probable cause are closed to the public **and to legislators who are not members of the committee. However, the committee may permit the subject of the complaint to attend a meeting other than the deliberations on probable cause**. The confidentiality provisions of this subsection may be waived by the subject of the complaint**, except that the subject of the complaint may not waive the confidentiality duty the committee owes to others and may not require the committee to deliberate in public**.

*** Sec. 49.** AS 24.60.170 is amended by adding new subsections to read:

(o) The committee shall return a complaint concerning the conduct of a candidate for state office received during a campaign period to the complainant unless the subject of the complaint permits the committee to assume jurisdiction under this

subsection. If the committee receives a complaint concerning the conduct of a candidate during the campaign period, the committee shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the committee's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the committee mails or otherwise sends notice of the complaint to the candidate, notify the committee that the candidate chooses to have the committee proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the committee that the candidate is not waiving the suspension of committee jurisdiction, the committee shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period.

(p) When the committee has a complaint concerning the conduct of a candidate for state office pending before it at the beginning of a campaign period that has not resulted in the issuance of formal charges under (h) of this section, the committee may proceed with its consideration of the complaint only to the extent that the committee's actions are confidential under this section. The committee may not, during a campaign period, issue a dismissal order or decision under (f) of this section, issue an opinion under (g) of this section, or formally charge a person under (h) of this section. If the committee has formally charged a person under (h) of this section and the charge is still pending when a campaign period begins, the committee shall suspend any public hearings on the matter until after the campaign period ends. The parties to the hearing may continue with discovery during the campaign period. If a hearing has been completed before the beginning of a campaign period but the committee has not yet issued its decision, the committee may not issue the decision until after the end of the campaign period. Notwithstanding the suspension of public proceedings provided for in this subsection, a candidate who is the subject of a complaint may notify the committee in writing that the candidate chooses to have the committee proceed with the complaint under this section.

(q) A campaign period under this section begins on the later of 45 days before a primary election in which the legislator or legislative employee is a candidate for

state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified.

* **Sec. 50.** AS 24.60.174(a) is amended to read:

(a) If the person found to have violated this chapter is or was a member of the legislature, the committee's recommendations shall be forwarded by the chair of the committee to the presiding officer of the appropriate house of the legislature. **If the committee recommends sanctions other than expulsion from the legislature, the committee recommendation**

(1) must include a suggested timetable for the compliance reports required under (e) of this section, if any; and

(2) may include recommended fines that the legislature may impose if the legislator who was found to have violated this chapter does not comply with the sanctions imposed by the legislature in a timely manner.

* **Sec. 51.** AS 24.60.174 is amended by adding a new subsection to read:

(e) When a house of the legislature imposes a sanction other than expulsion on a member or former member, it shall advise the committee at the time of imposing the sanction of the terms it has imposed and of the timetable for compliance adopted with the sanctions. A legislator or former legislator on whom sanctions other than expulsion have been imposed shall report to the committee as required by the timetable. If the committee determines that the legislator or former legislator has not complied fully and in a timely manner with the sanctions imposed by the legislature, the committee may recommend that the legislature impose a fine or additional sanctions.

* **Sec. 52.** AS 24.60.176 is amended to read:

Sec. 24.60.176. Recommendations where violator is a legislative employee. If the person found to have violated this chapter is or was a legislative employee, the committee's recommendations shall be forwarded to the appropriate appointing

authority which shall, as soon as is reasonably possible, determine the sanctions, if any, to be imposed. The appointing authority may not question the committee's findings of fact. The appointing authority shall assume the validity of the committee's findings [,] and determine and impose the appropriate sanctions. **The appointing authority has the power to impose a sanction recommended by the committee or to impose a different sanction. The appointing authority shall enforce the sanction and shall report to the committee at a time specified by the committee concerning the employee's compliance with the sanction.**

* **Sec. 53.** AS 24.60.176 is amended by adding a new subsection to read:

(b) In this section, "appointing authority" means

(1) the legislative council for employees of the Legislative Affairs Agency and of the legislative council and for legislative employees not otherwise covered under this subsection;

(2) the Legislative Budget and Audit Committee for the legislative fiscal analyst and employees of the division of legislative finance, the legislative auditor and employees of the division of legislative audit, and employees of the Legislative Budget and Audit Committee;

(3) the appropriate finance committee for employees of the senate or house finance committees;

(4) the appropriate rules committee for employees of standing committees of the legislature, other than the finance committees, and employees of the senate secretary's office and the office of the chief clerk of the house of representatives;

(5) the legislator who made the hiring decision for employees of individual legislators; however, the legislator may request the appropriate rules committee to act in the legislator's stead;

(6) the ombudsman for employees of the office of the ombudsman, other than the ombudsman;

(7) the legislature for the ombudsman.

* **Sec. 54.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.178. Recommended sanctions. (a) When the committee finds that

a person has violated this chapter, the committee may recommend appropriate sanctions, including sanctions set out in (b) of this section.

(b) The sanctions that the committee may recommend include

(1) imposition of a civil penalty of not more than $5,000 for each offense or twice the amount improperly gained, whichever is greater;

(2) divestiture of specified assets or withdrawal from specified associations;

(3) additional, detailed disclosure, either as a public disclosure or as a confidential disclosure to the committee;

(4) in the case of a legislative employee, suspension of employment with or without pay for a stated period of time or until stated conditions are met, or termination from legislative employment;

(5) restitution of property or reimbursement of improperly received benefits;

(6) public or private written reprimand;

(7) censure, including, in the case of a legislator, removal from a leadership position or committee membership and a determination that the legislator will not be appointed to serve in a leadership position or on a committee during the remainder of that legislature;

(8) placing the person on probationary status;

(9) in the case of a legislator, expulsion from the house of the legislature;

(10) any other appropriate measure.

(c) In addition to or in place of a sanction recommended under (b) of this section, the committee may recommend that the subject of a complaint be required to pay all or a portion of the costs related to the investigation and adjudication of a complaint.

*** Sec. 55.** AS 24.60.200 is amended to read:

Sec. 24.60.200. Financial disclosure by legislators, upper-level employees, and public members of the committee [LEGISLATIVE DIRECTORS]. A legislator, **an upper-level employee,** and a **public member of the committee**

[LEGISLATIVE DIRECTOR] shall file a disclosure statement, under oath and on penalty of perjury, with the Alaska Public Offices Commission giving the following information about the income received by **the discloser, the discloser's spouse or spousal equivalent, the discloser's** [THEM, THEIR SPOUSES, THEIR] dependent children, and **the discloser's** [THEIR] nondependent children who are living with **the discloser** [THEM]:

(1) the information that a public official is required to report under AS 39.50.030, **other than information about gifts** [EXCEPT THAT SOURCES OF INCOME OTHER THAN GIFTS OF $1,000 OR LESS, AND LOANS OF $1,000 OR LESS NEED NOT BE REPORTED];

(2) as to income in excess of $1,000 received as compensation for personal services, the name and address of the source of the income, and a statement describing the nature of the services performed; if the source of income is known or reasonably should be known to have a substantial interest in legislative, administrative, or political action and the recipient of the income is a legislator or **an upper-level employee** [A LEGISLATIVE DIRECTOR], the amount of income received from the source shall be disclosed;

(3) as to each loan or loan guarantee over $1,000 from a source with a substantial interest in legislative, administrative, or political action, the name and address of the person making the loan or guarantee, the amount of the loan, the terms and conditions under which the loan or guarantee was given, the amount outstanding at the time of filing, and whether or not a written loan agreement exists [;

(4) THE SOURCE OF A GIFT, OTHER THAN AN INHERITANCE, RECEIVED DURING THE PRECEDING CALENDAR YEAR BY THE PERSON, THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THE PERSON, IF THE AMOUNT OF THE GIFT EXCEEDS $100 AND IS RECEIVED FROM A PERSON WHO IS NOT A MEMBER OF THE RECIPIENT'S FAMILY].

* **Sec. 56.** AS 24.60.210 is amended to read:

Sec. 24.60.210. Deadlines for filing of disclosure statements. A legislator and **an upper-level employee** [A LEGISLATIVE DIRECTOR] shall file an annual

report with the Alaska Public Offices Commission, covering the previous calendar year, containing the disclosures required by AS 24.60.200, on or before **February** [APRIL] 15 of each year. **However, an upper-level employee who was first appointed to a position compensated at Range 19 or above on or after January 1 of the calendar year in which the report is to be filed is required to file the report on or before the 60th day after the employee was hired into the position.**

* **Sec. 57.** AS 24.60.240 is amended to read:

Sec. 24.60.240. Civil penalty for late filing. A legislator or **an upper-level employee** [A LEGISLATIVE DIRECTOR] who fails to file a properly completed report under AS 24.60.200 is subject to a civil penalty of not more than $10 a day for each day the delinquency continues as the Alaska Public Offices Commission determines, subject to appeal to the superior court. An affidavit stating facts in mitigation may be submitted to the Alaska Public Offices Commission by the person against whom the civil penalty is assessed. However, the imposition of the penalties prescribed in this section does not excuse the person from filing reports required by AS 24.60.200.

* **Sec. 58.** AS 24.60.250 is amended to read:

Sec. 24.60.250. Effect of failure to file by legislative candidate or upper level employee. In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that a candidate for the legislature who is an incumbent legislator [OR A LEGISLATIVE DIRECTOR] has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the lieutenant governor. The candidate shall forfeit nomination to office and may not be seated in office. The lieutenant governor may not certify the person's nomination for office or election to office, and nomination to the office shall be certified as provided in AS 39.50.060(b). **In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that an upper-level employee has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the appropriate committee of the legislature. For the ombudsman and employees of the office of the ombudsman, the appropriate committee is the Alaska Legislative Council. For upper-level**

employees who are not employed by the Legislative Affairs Agency or the Legislative Budget and Audit Committee, the commission shall notify the Rules Committee of the appropriate legislative body.

* **Sec. 59.** AS 24.60.260(a) is amended to read:

(a) A person required to make a disclosure under this chapter may not knowingly make a false or deliberately misleading or incomplete disclosure to the committee or to the Alaska Public Offices Commission. **A person who files** [, OR FILE] a disclosure after a deadline set by this chapter or by a regulation adopted by the committee or by the Alaska Public Offices Commission **has violated this chapter and may be subject to imposition of a fine as provided in (c) of this section or AS 24.60.240**.

* **Sec. 60.** AS 24.60.260 is amended by adding a new subsection to read:

(c) The committee may impose a fine on a person who files a disclosure after a deadline set by this chapter. The amount of the fine imposed under this subsection may not exceed $2 for each day to a maximum of $100 for each disclosure for a late disclosure. However, if the committee finds that a late filing was inadvertent, the maximum fine the committee may impose under this subsection is $25.

* **Sec. 61.** AS 24.60.990(a)(5) is amended to read:

(5) "immediate family" means

(A) the spouse **or spousal equivalent of the person; or**

(B) a parent, child [, PARENTS, CHILDREN], including a stepchild and an adoptive child, and **sibling** [SIBLINGS] of a person **if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial financial interest with the person;**

* **Sec. 62.** AS 24.60.990(a) is amended by adding new paragraphs to read:

(15) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage;

(16) "state office" includes the office of governor, lieutenant governor, member of the legislature, or similar state office;

(17) "upper-level employee" means a legislative employee, other than a legislator, who is compensated at Range 19 or above of the state salary schedule

under AS 39.27.011.

* **Sec. 63.** AS 39.25.070 is amended to read:

Sec. 39.25.070. Powers and duties of personnel board. In addition to the other duties imposed by this chapter, the personnel board shall

(1) approve or disapprove amendments to the personnel rules in accordance with AS 39.25.140;

(2) consider and act upon recommendations for the extension of the partially exempt service and the classified service as provided in AS 39.25.130;

(3) hear and determine appeals by employees in the classified service as provided in AS 39.25.170;

(4) establish its own rules of procedure; two members constitute a quorum for the transaction of business and two affirmative votes are required for final action on matters acted upon by the board;

(5) elect a **chair** [CHAIRMAN] from its membership;

(6) have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to a hearing authorized by this chapter;

(7) employ staff members, who shall be in the classified service;

(8) **carry out its powers and duties under AS 39.52** [RETAIN INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c);

(9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS OF, HEARING OFFICERS IN ACCORDANCE WITH AS 39.52.350(c), 39.52.360, AND 39.52.370;

(10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 - 39.52.190; AND

(11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410, 39.52.440, AND 39.52.450].

* **Sec. 64.** AS 39.25.160(e) is amended to read:

(e) An employee in the classified, [OR] partially exempt, **or exempt** service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign any position held in the state service. The employee's

position becomes vacant on the date the employee files a declaration of candidacy for state or national elective office. **This subsection does not apply to**

(1) a justice, judges, magistrates, and employees of the judicial branch, including employees of the judicial council;

(2) the governor or the lieutenant governor;

(3) a member of the legislature;

(4) an employee seeking election as a delegate to a constitutional convention;

(5) officers and employees of the University of Alaska;

(6) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;

(7) certificated teachers employed by the Department of Education as correspondence teachers, teachers in skill centers operated by the Department of Education, or teachers at Mt. Edgecumbe School;

(8) members of boards and commissions and authorities if the member is not entitled to compensation other than per diem and travel for service on the board, commission, or authority;

(9) emergency fire-fighting personnel employed by the Department of Natural Resources for a fire emergency or for fire prevention and related activities conducted under AS 41.15.030;

(10) youth employed by the Department of Natural Resources under the Youth Employment and Student Intern programs;

(11) students employed by the state institutions in which the students are enrolled;

(12) persons engaged in employment or pre-employment training programs operated by the Department of Military and Veterans' Affairs;

(13) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience.

* **Sec. 65.** AS 39.25.160 is amended by adding a new subsection to read:

(j) A state employee, whether in the classified, partially exempt, or exempt service, may not campaign on behalf of a political candidate on government time. This subsection does not prohibit the employees of the division of elections from carrying out duties related to elections or the members and employees of the commission on judicial conduct from carrying out duties relating to the evaluation of justices and judges. This subsection does not apply to the governor and lieutenant governor and members of the legislature.

* **Sec. 66.** AS 39.50.020 is amended to read:

Sec. 39.50.020. Report of financial and business interests. (a) A **public official other than the governor or the lieutenant governor** [JUDICIAL OFFICER, COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A MUNICIPAL OFFICER] shall file a statement giving income sources and business interests, under oath and on penalty of perjury, within 30 days after taking office as a public official. Candidates for state elective office other than a candidate who is subject to AS 24.60 shall file **the** [SUCH A] statement with the director of elections at the time of filing a declaration of candidacy or a nominating petition [,] or [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for elective municipal office shall file **the** [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that a previously accepted filing fee be returned and the candidate's name removed from the filing records. A statement shall also be filed by public officials no later than **March** [APRIL] 15 or 15 days after the person files a federal income tax return in each following year, whichever comes first. Persons who are members of boards or

commissions not named in AS 39.50.200(b) are not required to file financial statements.

(b) **A public official other than an elected or appointed municipal officer** [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission. Candidates for the office of governor and lieutenant governor and, if the candidate is not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* **Sec. 67.** AS 39.50.030(a) is amended to read:

(a) Each statement **must** [SHALL] be an accurate representation of the financial affairs of the public official or candidate and **must** [SHALL] contain the same information for each member of the person's family, as specified in (b) **and (d)** of this section, to the extent that it is ascertainable by the public official or candidate. [AN ASSET OR LIABILITY UNDER $500, HOUSEHOLD GOODS, AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

* **Sec. 68.** AS 39.50.030(b) is amended to read:

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

(1) the source of all income over **$1,000** [$100] during the preceding calendar year, including taxable and nontaxable capital gains, received by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person**, except that a source of income that is a gift must be included if the value of the gift exceeds $250**;

(2) the identity, by name and address, of each business in which the

person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned in any business during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(4) the identity and nature of each interest in real property, including an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(5) the identity of each trust or other fiduciary relation in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person held a beneficial interest **exceeding $1,000** during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee **of more than $1,000** made to the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person, the person's spouse or dependent child, or a nondependent child of the person who lives with that person owed **more than $1,000; this paragraph requires disclosure of a loan, loan guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than $1,000 at any time during the preceding calendar year** [$500 OR MORE];

(7) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, **a partnership or professional corporation of which the person is a member** [THE PERSON'S MOTHER OR FATHER], or a corporation in which the person or the person's spouse or children, or a combination of them, hold

a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar year by the person, the person's **spouse or** dependent child, a nondependent child of the person who is living with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse or children, or a combination of them, holds a controlling interest.

* **Sec. 69.** AS 39.50.030 is amended by adding new subsections to read:

(d) In addition to the requirements of (b) of this section, each statement filed under this chapter by a public official in the executive branch of state government other than the chair or a member of a state commission or board must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed so that a reader can ascertain the nature of the association. A public official shall disclose a close economic association with

(1) a legislator;

(2) a public official who is not an elected or appointed municipal officer;

(3) a lobbyist; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If a public official required to disclose a close economic association under (d) of this section forms a close economic association after the date on which the public official files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the commission within 60 days after the formation of the association.

(f) When making a disclosure under (d) of this section concerning a relationship with a lobbyist to whom the public official is married or who is the public official's spousal equivalent, the public official shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from

the lobbyist's employer. The public official shall report changes in the employers of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received money, or goods or services having a monetary value, for engaging in lobbying on behalf of the person.

(g) In this section,

(1) "close economic association" means a financial relationship that exists between a public official required to disclose a close economic association under (d) of this section and some other person or entity, including a relationship where the public official serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, business, or corporation;

(2) "lobbyist" has the meaning given in AS 24.60.990(a);

(3) "public officer" has the meaning given in AS 39.52.960;

(4) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage.

* **Sec. 70.** AS 39.50.070 is amended to read:

Sec. 39.50.070. Failure to report by <u>certain public officials</u> [DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS]. A <u>**public official**</u> [PERSON HIRED OR APPOINTED AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT] in the executive branch <u>**of state government, other than the governor or lieutenant governor or a chair or member of a state board or commission,**</u> who refuses or fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature for confirmation, until the person complies. The person may not be confirmed, hired, or appointed, and the person forfeits and may not be paid any salary, per diem, or travel expenses, until the person complies. If, after installation <u>**in office or beginning employment in the position**</u> [AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT], the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and

shall be removed from office if compliance is not made within 30 days after the due date of the report.

* **Sec. 71.** AS 39.50.200(a)(8) is amended to read:

(8) "public official" means

(A) a judicial officer**;**

(B) [,] the governor **or** [,] the lieutenant governor**;**

(C) [,] a person hired or appointed **in** [AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION,] a department in the executive branch **as**

(i) the head or deputy head of the department;

(ii) the director or deputy director of a division;

(iii) a special assistant to the head of the department;

(iv) a person serving as the legislative liaison for the department;

(D) a person hired as [,] an **employee in the office of** [ASSISTANT TO] the governor **or the office of the lieutenant governor other than**

(i) a clerical, security, messenger, or maintenance employee, or other employee in the office of the governor or the office of the lieutenant governor whom the personnel board designates because the employee is not employed in an executive or professional capacity or as an administrator and does not exercise discretion over policy matters;

(ii) an employee of the State Commission for Human Rights, including the director;

(iii) an employee of the office of equal employment opportunity; however, the director of the office is a public official;

(iv) an employee of the division of elections; however, the director of the division is a public official;

(v) an employee of the Alaska Human Resource Investment Council, including the director;

(vi) an employee of the Alaska Human Relations Commission, including the director;

(E) the [,] chair or a member of a state commission or board;

(F) [,] state investment officers and the state comptroller in the Department of Revenue;

(G) [,] the executive director of the Alaska Tourism Marketing Council;

(H) the chief procurement officer appointed under AS 36.30.010; and

(I) [, AND] each appointed or elected municipal officer;

* **Sec. 72.** AS 39.52.010(a) is amended to read:

(a) It is declared that

(1) [THAT] high moral and ethical standards among public officers in the executive branch are essential to assure the trust, respect, and confidence of the people of this state; [TO THE CONDUCT OF FREE GOVERNMENT; AND]

(2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics for the guidance of public officers will

(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;

(B) [, WILL] improve standards of public service; and

(C) [, AND WILL] promote and strengthen the faith and confidence of the people of this state in their public officers;

(3) [. IT IS FURTHER DECLARED THAT] holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;

(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest;

(5) in order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered fairly without bias or favoritism;

(6) no code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

(7) compliance with a code of ethics is an individual responsibility; thus all who serve the state have a solemn responsibility to avoid improper conduct and prevent improper behavior by colleagues and subordinates.

* **Sec. 73.** AS 39.52.120(b) is amended to read:

(b) A public officer may not

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

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate or require another public officer to perform services for the private benefit of the public officer at any time;

(6) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for partisan political purposes; this paragraph does not prohibit use of the governor's residence for meetings to discuss political strategy and does not prohibit use of the communications equipment in the governor's residence so long as there is no special charge to the state for the use; in this paragraph, "for partisan political purposes"

(A) means having the intent to differentially benefit or harm a

(i) candidate or potential candidate for elective office; or

(ii) political party or group;

(B) but does not include having the intent to benefit the public interest at large through the normal performance of official duties.

* **Sec. 74.** AS 39.52.120 is amended by adding new subsections to read:

(d) Except for travel to the capital city, the governor or the lieutenant governor may not travel at state expense to a place in which the official plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit the governor or the lieutenant governor from holding a campaign fund raising event in a place to which the official traveled at state expense if the

(1) travel to the place is completed at least 48 hours before the event was scheduled to begin; or

(2) official made a trip at state expense to a place, returned from that place, and then, within 48 hours, made a second trip to the place and the cost of the second trip was not paid for at state expense.

(e) In (d) of this section, an event is considered to be a campaign fund raising event only if the governor or lieutenant governor, or another person acting on behalf of the governor or lieutenant governor with the express or implied permission of the governor or lieutenant governor,

(1) asks for contributions for the governor's or lieutenant governor's campaign at the event;

(2) announces that the governor or lieutenant governor will accept contributions for the campaign at the event; or

(3) otherwise uses the event in a manner that clearly demonstrates that a primary purpose of the event is to raise contributions for the governor's or lieutenant governor's campaign; the fact that the governor or lieutenant governor received campaign contributions at an event is insufficient, without other evidence, to satisfy the proof required by this paragraph.

(f) In this section, when determining whether a public officer is considered to be performing a task on government time, the attorney general and personnel board shall consider the public officer's work schedule as set by the public officer's

immediate supervisor, if any. A public officer other than the governor and lieutenant governor who, during the work days, engages in political campaign activities other than minor, inconsequential, and unavoidable campaign activities shall take approved leave for the period of campaigning.

* **Sec. 75.** AS 39.52.130(b) is amended to read:

(b) Notice of the receipt by a public officer of a gift with a value in excess of **$150** [$50], including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt

(1) if the public officer may take or withhold official action that affects the giver**; or**

(2) if the gift is connected to the public officer's governmental status.

* **Sec. 76.** AS 39.52.130 is amended by adding new subsections to read:

(e) A public officer who, on behalf of the state, accepts a gift from another government or from an official of another government shall, within 60 days after its receipt, notify the Office of the Governor in writing. The Office of the Governor shall determine the appropriate disposition of the gift. In this subsection, "another government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.

(f) A public officer who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the public office held by the public officer shall report the receipt of the gift by the family member to the public officer's designated supervisor if the gift would have to be reported under this section if it had been received by the public officer or if receipt of the gift by a public officer would be prohibited under this section.

* **Sec. 77.** AS 39.52.170 is amended by adding a new subsection to read:

(c) The head of a principal executive department of the state may not accept employment for compensation outside the agency that the executive head serves.

* **Sec. 78.** AS 39.52.180 is amended by adding a new subsection to read:

(d) A former governor, lieutenant governor, or head of a principal department

in the executive branch may not engage in activity as a lobbyist under AS 24.45 for a period of one year after leaving service as the governor, lieutenant governor, or department head, as appropriate. This subsection does not prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the Alaska Public Offices Commission.

* **Sec. 79.** AS 39.52.210(a) is amended to read:

(a) A public employee who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall

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

(2) immediately disclose the matter in writing to the designated supervisor **and the attorney general**.

* **Sec. 80.** AS 39.52.210(b) is amended to read:

(b) A public employee's designated supervisor shall make a written determination whether an employee's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the public employee and to the attorney general**. If the supervisor determines that a violation could exist or will occur, the supervisor shall,

(1) reassign duties to cure the employee's potential violation, if feasible; or

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

* **Sec. 81.** AS 39.52.220(a) is amended to read:

(a) A member of a board or commission who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall disclose the matter on the public record and in writing to the designated supervisor **and to the attorney general**. The supervisor shall determine whether the member's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the board or commission member and to the attorney general**. If a member of the board or commission objects to the ruling of the supervisor, or if the supervisor discloses an involvement requiring a determination, the members present at a meeting, excluding

the involved member, shall vote on the matter. If the supervisor or a majority of the members voting determine that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter.

* **Sec. 82.** AS 39.52.230 is amended to read:

Sec. 39.52.230. Reporting of potential violations. A person may report to a public officer's designated supervisor, under oath and in writing, a potential violation of AS 39.52.110 - 39.52.190 by the public officer. The supervisor shall provide a copy of the report to the officer who is the subject of the report **and to the attorney general**, and shall review the report to determine whether a violation may exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor determines that the matter may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 83.** AS 39.52.260 is amended by adding a new subsection to read:

(d) The attorney general shall submit to the personnel board a copy of the quarterly reports received from designated supervisors under (a) of this section together with a report on the attorney general's review conducted under (b) of this section.

* **Sec. 84.** AS 39.52 is amended by adding a new section to article 3 to read:

Sec. 39.52.270. Disclosure statements. (a) A public officer required to file a disclosure statement under this chapter shall meet the requirements of this subsection in making the disclosure. When the public officer files a disclosure statement under this chapter, the public officer signing the disclosure shall certify that, to the best of the public officer's knowledge, the statement is true, correct, and complete. The disclosure must state that, in addition to any other penalty or punishment that may apply, a person who submits a false statement that the person does not believe to be true is punishable under AS 11.56.200 - 11.56.240.

(b) A designated supervisor who receives a disclosure statement under AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that there is a possibility that the activity or situation reported in a disclosure statement filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240. Failure of the designated supervisor to proceed under AS 39.52.210 - 39.52.240 does

not relieve the public officer of the public officer's obligations under those statutes.

(c) In this section, "disclosure statement" means a report or written notice filed under AS 39.52.110 - 39.52.220.

* **Sec. 85.** AS 39.52.310(a) is amended to read:

(a) The attorney general may initiate a complaint, or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or 39.52.260. **The attorney general may not, during a campaign period, initiate a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office.**

* **Sec. 86.** AS 39.52.310(c) is amended to read:

(c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the governor, lieutenant governor, or the attorney general, the matter shall be referred to the personnel board. **The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office as provided in (j) of this section if the complaint is initiated during a campaign period.** The personnel board shall retain independent counsel who shall act in the place of the attorney general under (d) - (i) of this section, AS 39.52.320 - 39.52.350, and 39.52.360(c) and (d). **Notwithstanding AS 36.30.015(d), the personnel board may contract for or hire independent counsel under this subsection without notifying or securing the approval of the Department of Law.**

* **Sec. 87.** AS 39.52.310 is amended by adding new subsections to read:

(j) The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for state office received during a campaign period to the complainant unless the governor or lieutenant governor, as appropriate, permits the personnel board to assume jurisdiction under this subsection. If the personnel board receives a complaint concerning the conduct of the governor or lieutenant governor who is a candidate during the campaign period, the personnel board shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the personnel board's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the personnel board mails or

otherwise sends notice of the complaint to the candidate, notify the personnel board that the candidate chooses to have the personnel board proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the personnel board that the candidate is not waiving the suspension of jurisdiction, the personnel board shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period.

(k) A campaign period under this section begins on the later of 45 days before a primary election in which the governor or lieutenant governor is a candidate for state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified.

* **Sec. 88.** AS 39.52.320 is amended to read:

Sec. 39.52.320. Dismissal before formal proceedings. If, after investigation, it appears that there is no probable cause to believe that a violation of this chapter has occurred, the attorney general shall dismiss the complaint [AND PREPARE AND FILE A CONFIDENTIAL SUMMARY WITH THE PERSONNEL BOARD]. The attorney general shall communicate disposition of the matter promptly to the complainant **under AS 39.52.335(c)** and to the subject of the complaint.

* **Sec. 89.** AS 39.52 is amended by adding a new section to read:

Sec. 39.52.335. Summary of disposition of complaints and review by personnel board. (a) When the attorney general initiates or receives a complaint under AS 39.52.310, the attorney general shall immediately forward a copy of the complaint to the personnel board.

(b) Each month, the attorney general shall file a report with the personnel board concerning the status of each pending complaint and the resolution of complaints that have been closed since the previous report.

(c) If a complaint is dismissed under AS 39.52.320 or resolved under

AS 39.52.330, the attorney general shall promptly prepare a summary of the matter and provide a copy of the summary to the personnel board and the complainant. The summary is confidential unless the

(1) dismissal or resolution agreed to under AS 39.52.320 or 39.52.330 is public; or

(2) superior court makes the matter public under (h) of this section.

(d) Within 15 days after receipt of a summary under this section, a complainant may file comments with the personnel board regarding the disposition of the complaint.

(e) At its next regular meeting that begins more than 15 days after receipt of a summary under this section, the personnel board shall review the summary and comments, if any, filed by the complainant. The personnel board may compel the attendance of the subject of the complaint or the complainant at the meeting and may compel the production of documents. Attendance may be by teleconference. The attorney general or the attorney general's designee shall be available to respond to questions from the personnel board concerning the disposition of the complaint.

(f) After review of the summary, the personnel board may issue a report on the disposition of the complaint. If the matter is confidential and the board determines that publication of the name of the subject is in the public interest, the report may include a recommendation that the matter be made public.

(g) If the summary is confidential under (c) of this section,

(1) comments filed by the complainant, if any, are confidential;

(2) the personnel board shall conduct the review of the summary in executive session; and

(3) the personnel board report, if any, is confidential; the personnel board shall make available to the public an expurgated copy of a confidential report with sufficient deletions and editing to prevent disclosure of the identity of the persons involved in the matter.

(h) If the disposition of a complaint is not made public and the personnel board report under (f) of this section includes a recommendation that the matter be made public, an interested party may file an action against the state in superior court

requesting that the court make public the complaint, the attorney general's disposition of the complaint, and the personnel board report. The court may order the matter or portions of the matter made public if the court determines that

(1) the dismissal or resolution of the complaint was clearly contrary to the requirements of this chapter;

(2) one or more of the allegations in the information to be released is supported by substantial evidence;

(3) the matter concerns the public interest; and

(4) release of the information will not infringe on any protected rights or liberties of the subject.

*** Sec. 90.** AS 39.52.340(a) is amended to read:

(a) **Except as provided in AS 39.52.335, before** [BEFORE] the initiation of formal proceedings under AS 39.52.350, **the complaint and all other documents and** information regarding an investigation conducted under this chapter [,] or obtained by the attorney general during the investigation **are** [, IS] confidential **and not subject to inspection by the public. In the case of a complaint concerning the governor, lieutenant governor, or attorney general, all meetings of the personnel board concerning the complaint and investigation before the determination of probable cause are closed to the public. If, in the course of an investigation or probable cause determination, the attorney general finds evidence of probable criminal activity, the attorney general shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the attorney general finds evidence of a probable violation of AS 15.13, the attorney general shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission**. The attorney general and all persons contacted during the course of an investigation shall maintain confidentiality regarding the existence of the investigation. [A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS A MISDEMEANOR.]

*** Sec. 91.** AS 39.52.960(11) is amended to read:

(11) "immediate family member" means

(A) the spouse of the person;

(B) another person cohabiting with the person in a conjugal relationship that is not a legal marriage;

(C) a child, including a stepchild and an adoptive child, of the person;

(D) a parent, sibling, grandparent, aunt, or uncle of the person; and

(E) a parent or sibling of the person's spouse [A PUBLIC OFFICER'S SPOUSE, A RELATION BY BLOOD WITHIN AND INCLUDING THE SECOND DEGREE OF KINDRED, AND A REGULAR MEMBER OF THE OFFICER'S HOUSEHOLD];

*** Sec. 92.** AS 24.60.990(a)(9) is repealed.

*** Sec. 93.** PROVISIONS MADE SPECIFICALLY APPLICABLE TO INCUMBENT LEGISLATORS. Notwithstanding any other provision of AS 15.13, the provisions of AS 15.13.116(d), added by sec. 5 of this Act, apply to authorize a legislator holding office in the legislature during the First Regular Session of the Twentieth Alaska State Legislature who, under sec. 32, ch. 48, SLA 1996, retains unused campaign contributions in the candidate's election campaign account, to transfer to a public office expense term account as permitted under AS 15.13.116(d), enacted by sec. 5 of this Act. All amounts expended under this section shall be annually accounted for under AS 15.13.110(a)(4).

*** Sec. 94.** Sections 4, 5, and 93 of this Act are retroactive to December 31, 1996.

*** Sec. 95.** Sections 1, 2, 4, 5, 93, and 94 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 96.** Sections 3 and 6 - 92 of this Act take effect January 1, 1999.

DRAFT

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HCS CSSB 105 (STA)

Revision Date (Note if correction) _____ Dept. Affected Law
Title An Act relating to legislative and executive branch ethics . . . . BRU Civil
Component Commercial Section
Sponsor Senate Rules
Requester House State Affairs Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	5.0	5.0	5.0	5.0	5.0	5.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	5.0	5.0	5.0	5.0	5.0	5.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0	5.0	5.0	5.0	5.0	5.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	5.0	5.0	5.0	5.0	5.0	5.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

HCS CSSB 105(STA) concerns campaign finance, APOC reporting, legislative ethics, and executive ethics. Its fiscal impact on the Department of Law stems largely from the amendments to the Executive Branch Ethics Act, AS 39.52, which is administered by the Department. Although several sections of the bill will require increased attorney time--for example, in enforcement, training, and attending Personnel Board meetings, the Department will manage these increases in attorney time without seeking an increased appropriation.

HCS CSSB 105(STA), however, also greatly increases the reporting functions of the Department. Under this bill, the Department will now receive self-reports of potential violations, and the designated supervisor's response to the reports. Sections 79, 80, & 81. The Department will also now receive reports of potential violations from third parties. Section 82. Section 83 gives the Department has a new duty to submit copies of quarterly reports to the Personnel Board. Section

Prepared by Joan Kasson Phone 465-3600
Division Attorney General's Office Date 4/21/98
Approved by Commissioner Bruce M. Botelho, Attorney General Date _____
Agency Department of Law

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ANALYSIS CONTINUATION

89 requires the Department to forward complaints to the Personnel Board and prepare a montly status report of outstanding complaints for the Personnel Board to Review.

Current reporting duties under the Ethics Act are not performed by attorneys, but are assigned to a paraprofessional in the department. A paralegal can perform these duties more efficiently and at much less cost than an attorney. HCS CSSB 105(STA) will significantly increase the reporting duties of the department, but there are no general funds available to pay a paralegal for these tasks.

We estimate that increased reporting duties will require approximately 5.8 hours of paralegal time per month. Paralegal time currently costs the department $71.94 per hour. This translates into a fiscal note of $5,000 per year. First-year costs will be significantly greater due to the requirement of training and creation of new forms. Given that the bill does not become effective until the middle of the fiscal year, however, a $5,000 fiscal note for FY99 should cover paralegal start-up expenses.

Adopted

0-LS0074\Q.1
Cramer
4/20/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "Q"

Page 3, line 17:

Delete "to any candidate later than the 45th day"

Insert "to any candidate **after the earlier of December 31 of the year of the election or the 60th** [LATER THAN THE 45TH] day"

Page 4, line 13:

Delete "AS 15.13.116(a)(9)"

Insert "**AS 15.13.116(a)(8)** [AS 15.13.116(a)(9)]"

Page 4, line 14:

Delete "AS 15.13.116(a)(10)"

Insert "**AS 15.13.116(a)(9)** [AS 15.13.116(a)(10)]"

Page 4, line 22, following "the campaign.":

Insert "**including a victory or thank you party and thank you gifts to campaign employees and volunteers.**"

Page 4, lines 25 - 26:

Delete

"(2) pay for a victory or a thank you party costing less than $500, or to give a thank you gift of a value of less than $50 to a campaign employee or volunteer;"

Insert

"(2) [PAY FOR A VICTORY OR A THANK YOU PARTY

COSTING LESS THAN $500, OR TO GIVE A THANK YOU GIFT OF A VALUE OF LESS THAN $50 TO A CAMPAIGN EMPLOYEE OR VOLUNTEER;"

Page 4, line 27:

Delete "(3)"

Insert "(3)]"

Page 5, line 1:

Delete "(4)"

Insert "**(3)** [(4)]"

Page 5, line 4:

Delete "(5)"

Insert "**(4)** [(5)]"

Page 5, line 6:

Delete "(6)"

Insert "**(5)** [(6)]"

Page 5, line 12:

Delete "(7)"

Insert "**(6)** [(7)]"

Page 5, line 16:

Delete "(8)"

Insert "**(7)** [(8)]"

Page 5, line 26:

Delete "(9)"

Insert "**(8)** [(9)]"

Page 6, line 10:

Delete "(10)"

Insert "**(9)** [(10)]"

Page 7, line 3:

Delete "(2), (5), or (7) - (10)"

Insert "(4), or (6) - (9)"

Page 10, line 2:

Delete "**an upper-level employee** [A LEGISLATIVE DIRECTOR]"

Insert "a legislative director"

Page 19, line 25:

Delete "**February 15**"

Insert "**March 15**"

Page 22, line 30:

Delete "February 15"

Insert "March 15"

Failed 4-2 motion to delete

Page 26, lines 16 - 18:

Delete "**A person who requested an opinion, including a legislator, may not require admittance to an executive session of the committee when it is deliberating concerning the advisory opinion.**"

Page 26, line 21:

Delete "five"

Insert "**two** [FIVE]"

Page 26, line 31:

Delete "**five**"

Insert "**two**"

Page 33, line 21, following "finance committees,":

Insert "employees of house records and senate records,"

Page 34, line 29, through page 35, line 1:

Delete "**Financial disclosure by legislators, upper-level employees, and public members of the committee [LEGISLATIVE DIRECTORS].** A legislator, **an upper-level employee,** and a **public member of the committee** [LEGISLATIVE DIRECTOR]"

Insert "**Financial disclosure by legislators, public members of the committee, and legislative directors.** A legislator, **a public member of the committee,** and a legislative director"

Page 35, lines 15 - 16:

Delete "**an upper-level employee** [A LEGISLATIVE DIRECTOR]"

Insert "a legislative director"

Page 35, line 30, through page 36, line 16:

Delete all material and insert a new section to read:

"**Sec. 24.60.210. Deadlines for filing of disclosure statements.** A legislator and a legislative director shall file an annual report with the Alaska Public Offices Commission, covering the previous calendar year, containing the disclosures required by AS 24.60.200, on or before **March 15** [APRIL 15] of each year."

Renumber the following bill sections accordingly.

Page 36, lines 18 - 19:

Delete "**upper level employee**"

Insert "**legislative director**"

Page 36, lines 27 - 28:

Delete "**an upper level employee**"

Insert "**a legislative director**"

Page 36, line 29, through page 37, line 3:

Delete "**the appropriate committee of the legislature. For the ombudsman and employees of the office of the ombudsman, the appropriate committee is the Alaska Legislative Council. For upper-level employees who are not employed by the Legislative Affairs Agency or the Legislative Budget and Audit Committee, the commission shall notify the Rules Committee of the appropriate legislative body.**"

Insert "**the Alaska Legislative Council or the Legislative Budget and Audit Committee, as appropriate. For the ombudsman, the Alaska Legislative Council shall be notified.**"

Page 37, line 29:

Delete ":"

Insert "."

Page 37, line 30, through page 38, line 1:

Delete all material.

Page 39, line 2, following ".":

Insert "**This subsection applies to employees in the exempt service, except those listed below, notwithstanding AS 39.25.110.**"

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 56, line 14

Page 56, line 18

Page 56, line 20

Page 56, line 21

Page 56, line 23

STATE OF ALASKA

ROUTE SLIP

TO: Mail Station	Department	Division
Attention: House State Affairs Comm		

- ☐ Approval
- ☐ Signature
- ☐ Comment
- ☐ Contact Me
- ☐ Prepare Reply
- ☐ For Your File
- ☐ Note & Return
- ☐ Initial & Return
- ☐ Return as Requested
- ☐ Return for Approval
- ☐ Necessary Action
- ☐ For Your Information

Remarks:

Tues 4/21
8 a.m.

FR 0300 Law Civil Division

By Chrystal Smith Date

02-002 (REV 3-81)

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HCS CSSB 105 (STA)

Revision Date (Note if correction) _____ Dept. Affected Law

Title An Act relating to legislative and executive branch ethics . . . . BRU Civil

Component Commercial Section

Sponsor Senate Rules

Requester House State Affairs Component Serial No. _____

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OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	5.0	5.0	5.0	5.0	5.0	5.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0	5.0	5.0	5.0	5.0	5.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

HCS CSSB 105(STA) concerns campaign finance, APOC reporting, legislative ethics, and executive ethics. Its fiscal impact on the Department of Law stems largely from the amendments to the Executive Branch Ethics Act, AS 39.52, which is administered by the Department. Although several sections of the bill will require increased attorney time–for example, in enforcement, training, and attending Personnel Board meetings, the Department will manage these increases in attorney time without seeking an increased appropriation.

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Prepared by Joan Kasson Phone 465-3600

Division Attorney General's Office Date 4/21/98

Approved by Commissioner Bruce M. Botelho, Attorney General Date _____

Agency Department of Law

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ANALYSIS CONTINUATION

89 requires the Department to forward complaints to the Personnel Board and prepare a montly status report of outstanding complaints for the Personnel Board to Review.

Current reporting duties under the Ethics Act are not performed by attorneys, but are assigned to a paraprofessional in the department. A paralegal can perform these duties more efficiently and at much less cost than an attorney. HCS CSSB 105(STA) will significantly increase the reporting duties of the department, but there are no general funds available to pay a paralegal for these tasks.

We estimate that increased reporting duties will require approximately 5.8 hours of paralegal time per month. Paralegal time currently costs the department $71.94 per hour. This translates into a fiscal note of $5,000 per year. First-year costs will be significantly greater due to the requirement of training and creation of new forms. Given that the bill does not become effective until the middle of the fiscal year, however, a $5,000 fiscal note for FY99 should cover paralegal start-up expenses.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Bill Version: CSSB 105(FIN)
(S) Publish Date: 4/16/97

Revision Date:
Title: "An Act relating to legislative and executive branch ethics; relating to the conduct of lobbyists . . .
Sponsor: Senate Rules Committee
Requester: Senate Finance Committee

Dept. Affected: Department of Law
BRU: Civil Division
Component: General Legal Services
COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: $ 0.0

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSSB 105 (STA) makes numerous amendments to the legislative and executive branch ethics acts, expands the reporting requirements of lobbyists, requires exempt and partially exempt state employees above range 19 to file reports under the conflict of interest statutes (AS 39.50), and makes a conforming amendment to the definition of "public official" for employment security statutes. In amending the executive branch ethics act, the bill transfers certain responsibilities for enforcing the act from the Attorney General to the Personnel Board. The Attorney General retains prosecutorial authority in formal proceedings before the Board, and responsibility for enforcing the Board's decisions. CSSB 105 (STA) also adds new prohibitions, new reporting requirements, new disclosures, and expands list of persons affected by the act.

This bill will have no fiscal impact on the Department of Law. When the Executive Ethics Act was passed in 1986, the legislature did not provide funding to the Department of Law to perform its new responsibilities. Consequently, the department has largely relied on ethics supervisors in the appropriate state agencies to

Prepared by: Joan M. Kasson
Division: Administrative Services Division
Phone: 465-5370
Date: 4/9/97

Approved by Commissioner: Bruce M. Botelho, Attorney General
Agency: Department of Law
Date: 4/9/97

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ANALYSIS CONTINUATION:

perform investigations; where possible, charged other agencies through interagency agreements for work performed under the act on their behalf; and when necessary to undertake the department's duties with scarce general funds, performed them at the expense of other work.

The Department of Law retains responsibility for certain functions under the State Affairs Committee Substitute including prosecuting ethics violations before the Board, seeking civil and criminal penalties, where appropriate, and as a practical matter, continuing to provide informal advice on the Ethics Act to agencies as well. The department hopes to continue to largely rely on interagency agreements to fund these activities.

FISCAL NOTE

No. 5

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. Bill Version: CSSB 105(FIN)
(S) Publish Date: 4/16/97

Revision Date:
Title: **Legislative Ethics Code Reform**
Sponsor: **Senate Rules Committee**
Requestor: **Senate Finance Committee**

Department Affected: **Labor**
BRU: **Employment Security**
Component: **Employment/Unemployment Services**
COMPONENT SERIAL NO. **1807**

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: $ None

ANALYSIS: The bill amends standards and establishes new standards in three major areas: AS 24.60, governing legislative standards of conduct, the conflict of interest provisions in AS 39.50, and the Executive Branch Ethics Act in AS 39.52.

No fiscal impact is anticipated.

Prepared by: Rebecca Nance, Director
Division: Employment Security Division
Phone : 465-2711
Date : 4/4/97

Approved by Commissioner: for Tom Cashen, Commissioner
Agency: Department of Labor
Date: 4/4/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 4
Bill Version: CSSB 105(FIN)
(S) Publish Date: 4/16/97

Revision Date:
Title: "An Act relating to legislative ethics..."

Sponsor: (S) Rules by Request of Legislative Ethics
Requestor: (S) FIN

Department Affected: Administration
BRU: Alaska Public Offices Commission
Component: Alaska Public Offices Commission

COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	43.1	71.6	76.1	76.1	76.1	76.1
TRAVEL	2.2	2.2	2.2	2.2	2.2	2.2
CONTRACTUAL	7.4	7.4	7.4	7.4	7.4	7.4
SUPPLIES	1.6	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	4.6					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	58.9	82.8	87.3	87.3	87.3	87.3
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	58.9	82.8	87.3	87.3	87.3	87.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	58.9	82.8	87.3	87.3	87.3	87.3

Estimate of any current year (FY 97) cost: $ 0

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Karen Boorman
Division: Alaska Public Offices Commission
Phone: 276-4176
Date:

Approved by Commissioner: Mark Bover
Agency: Department of Administration
Date: 4/1/97

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FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 105(STA) #1

1997 LEGISLATIVE SESSION

ANALYSIS: (continued)
Partially Exempt and Exempt Executive Branch Employees Range 19 and over must file Conflict of Interest Statements (COI). Legislative Employees Range 19 and over must file Legislative Financial Disclosure Statements (LFD). State Officials must file a disclosures of close economic association.

There are several parts of this bill which would impact the Alaska Public Offices Commission. Section 55, amending AS 24.60.990(a), and Section 63, amending AS 39.50.200(a), require that legislative employees and state employees compensated at Range 19 and above or at more than $4200 a month file personal financial disclosure statements. Section 72, adding AS 39.52.155 requires that all state employees who file personal financial disclosure statements also file disclosures of close economic association with the APOC.

Currently, the Commission receives about 800 personal financial disclosure statements from all state filers including 65 from legislators and legislative directors. Approximately 1200 municipal officials file municipal financial disclosure statements.

Under the proposed changes to AS 24.60 an additional 192 legislative employees, Range 19 and above, plus 10% turnover per year and an estimated 50% turnover every two years would be required to file annual Legislative Financial Disclosure (LFD) Reports. An additional 658 state employees plus 10% annual turnover would be required to file annual Conflict of Interest (COI) Statements under AS 39.50. In addition, under AS 39.52, up to 1488 state employees would be required to file annual disclosures of close economic association and update them within sixty days of forming new close economic associations.

Current staffing to advise and train filers, provide manuals and forms, review completed statements, assess penalties and report to the Commission is provided by one Paralegal Assistant. At current staffing levels, review of many municipal filings is not possible and review of state filings is delayed The addition of these new legislative employee and state employee filers more than doubles the number of individuals filing personal financial disclosure statements.

These provisions will take effect midway through FY 98, on January 1, 1998. The first major filing deadlines for filers under the new requirements would be 30 days after appointment or notification for state employees and 60 days after appointment for legislative employees. Over the following six months, approximately 725 new COI Interest Statements and 212 new LFD Reports would be due. This would require extensive education of all new filers. Additional manuals and forms would be necessary to provide immediate help. To provide long term guidance and enforcement, the Commission would engage in civil penalty assessments, advisory opinions and adjudication of complaints. Up to 1488 state official filers would have to file "disclosures of close economic association" with APOC and their designated ethics supervisor. APOC would make these available to the public.

Additional staff is needed to support these changes. An Administrative Clerk III Range 10 would be responsible for processing filed statements as well as accurate and prompt input of data. This person would assist in evaluating Conflict of Interest and Legislative Financial Disclosure Statements to determine their accuracy, obtain more information from filers whose statements are inaccurate, and provide information to the public about filers' Statements. This would be a seven month position the first year, twelve months thereafter.

A nine month full time seasonal Paralegal Assistant, Range 13, is needed to deal with the increase in Conflict of Interest and Legislative Financial Disclosure filers. This seasonal position would be active from December to August when filing demands are the greatest. This seasonal paralegal would compare and examine reports, interpret statutes and regulations, draft informal advice and proposed advisory opinions, and prepare civil penalty recommendations and orders for approval by the Commission. This would be a six month position the first year.

Additional funds are requested for travel and training of new legislative filers in Juneau and new state employee filers in Juneau and Fairbanks. Equipment costs in FY98 cover two filing cabinets, two telephones and installation of lines, a computer and its installation. Contractual and supply costs cover printing and mailing of new manuals, forms and other necessary correspondence for FY98 and subsequent years.

FISCAL NOTE

No. 3
Bill Version: CSSB 105(STA)
(S) Publish Date: 3/26/97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date:
Title: An Act relating to legislative and executive branch ethics, . . .
Sponsor: Sen. Rules Comm. by Req. of Select Comm. on Leg Ethics
Requestor: Senate State Affairs Committee

Department Affected: Administration
BRU: Personnel
Component: Personnel
COMPONENT SERIAL NO. 56

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	116.3	236.9	236.9	236.9	236.9	236.9
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	7.6	15.2	15.2	15.2	15.2	15.2
SUPPLIES	.8	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	151.2	268.7	268.7	268.7	268.7	268.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	152.2	268.7	268.7	268.7	268.7	268.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	152.2	268.7	268.7	268.7	268.7	268.7

Estimate of any current year (FY 97) cost: $0.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This analysis is based on the draft amendments identified as 0-LS0074\B.2 by Cramer, 3/18/97. Bill Section numbers may not match the numbers in the final committee substitute.

Sections 64-102 of the draft amendments amend the Executive Branch Ethics Act. Additional prohibitions are added, additional reported is required, more people are covered under certain provisions, and much work is transferred from the attorney general to the Personnel Board. These changes in workload are summarized as follows:

Section 67. New prohibitions added. New requirement for review by the Personnel Board of certain political mass mailings. New disclosures to the Personnel Board added.

Section 68. Additional persons can request guidance concerning whether acceptance of a particular gift is prohibited. The work is transferred from the attorney general to the Personnel Board.

Prepared by: Beverly Reaume
Division: Division of Personnel
Phone: 465-4429
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration
Date: 3/24/97

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ANALYSIS: (continued)

Section 69. New prohibitions added. New reporting to the Personnel Board added. New requirement for guidance by the Personnel Board on recognized, nonpolitical charitable organizations. New reporting requirement on inheritances. New requirement for the Personnel Board to approve training programs for gifts of volunteer services.
Section 70. New prohibitions added.
Section 71. Duplicate reporting (to Personnel Board) of personal or financial interests in grants, contract, or loans.
Section 72. New disclosure requirements added.
Section 73. New prohibitions added. Duplicate reporting to the Personnel Board added.
Section 74. New prohibition added.
Sections 75-77. New restrictions added on post separation employment.
Section 78. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a public employee's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 79. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a member of a board or commission's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 80. Providing Personnel Board with copy of report of potential violation added.
Section 81, 84, 85, 86. Responsibility to issue interpretative opinions transferred to the Personnel Board. Additional persons can request opinions.
Sections 82. Option of oral advice transferred to Personnel Board.
Section 87. Receipt, review, and public summary of reports of designated supervisors transferred from the attorney general to the Personnel Board.
Section 88. Authority to initiate a complaint transferred from the attorney general to the Personnel Board.
Section 89. Executive Branch Ethics Act complaints to be filed with the Personnel Board instead of the attorney general.
Section 90. Responsibility to investigate a complaint against the governor, lieutenant governor, or attorney general transferred from independent counsel to the Personnel Board.
Section 91. Responsibility to review Executive Branch Ethics Act complaints for completeness and threshold allegations transferred form the attorney general to the Personnel Board.
Section 92. Option of referring a complaint to a designated supervisor transferred from the attorney general to the Personnel Board.
Section 93. Service of a complaint transferred from the attorney general to the Personnel Board.
Section 94. Responsibility for investigation of a compliant with authority to issue a subpoena transferred from the attorney general to the Personnel Board.
Section 95. Authority to dismiss a compliant for lack of probably cause transferred from the attorney general to the Personnel Board.
Section 96. Authority to direct corrective action without hearing transferred form the attorney general to the Personnel Board.
Section 97. Responsibility for maintaining confidentiality during an investigation transferred from the attorney general to the Personnel Board.
Section 98. Authority to initiate formal action on a finding of probably cause transferred from the attorney general to the Personnel Board.
Section 99. Authority to review and approve agency policies on conflicts of interest transferred from the attorney general to the Personnel Board.
Section 100. Regulation adoption authority transferred from the attorney general to the Personnel Board. Additional regulation authority added.
Section 101. Definition of "immediate family member" rewritten. The current records of Department of Law lose their precedential value.
Section 102. Definition of "state official" added to include more positions subject to reporting.

We estimate the need for four positions and associated costs for the Personnel Board to carry out these new requirements. The Personnel Board is authorized to employ staff members by AS 39.25.070(7). One position would be an attorney who would do the legal research and drafting of advice as directed by the Personnel Board. A paralegal position would be responsible for assisting in the legal research and ensuring that all noticing requirements are properly completed. A clerical position would be responsible for the maintenance of the physical files. An investigator will conduct all the investigations, both to determine if a complaint, if true, would constitute a violation and to determine if a violation did indeed occur.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CS SB105 (SA) #3

We estimate the need for the Personnel Board to meet on a monthly basis under the changes proposed here. Two of three meetings could probably be conducted by teleconference. A quarterly meeting in person would be required. Estimated public notice expenses and travel expenses are included.

Since a January 1, 1998, effective date is proposed (Section 54 of SB 105), the FY 98 costs are estimated for one-half year. Costs for FY 99 and beyond are estimated full year costs.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

NO. No. 2
BILL VERSION: Bill Version: SB 105
PUBLISH DATE: (S) Publish Date: 3/26/97

Revision Date:
Title: "An Act relating to legislative ethics; relating to the filing of disclosures by certain legislative...
Sponsor: Senate Rules Committee
Requestor: Senate State Affairs

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Schofield, Deputy Director Karla Schofield Phone: 465-3852
Division: Administrative Services Date: 3/10/97

Approved By: Pamela A. Varni, Executive Director Pamela A. Varni
Agency: Legislative Affairs Agency Date: 3/10/97

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov., & Impacted Agency(ies).

0-LS0074\P'
Cramer
4/9/98

HOUSE CS FOR CS FOR SENATE BILL NO. 105( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE SELECT COMMITTEE ON LEGISLATIVE ETHICS

A BILL

FOR AN ACT ENTITLED

"An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state or municipal office; relating to the conduct and regulation of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

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

*** Section 1.** AS 15.13.072(d) is amended to read:

(d) A candidate or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 **for election or reelection to the state legislature** may not solicit or accept a contribution **while** [IF] the legislature is convened in a regular or special legislative session **unless** [, AND] the **solicitation or acceptance occurs during the**

New Text Underlined [DELETED TEXT BRACKETED]

90 days immediately preceding an election in which the candidate or individual is a **candidate** [MEMBER OF THE LEGISLATURE, OR EMPLOYED AS A MEMBER OF THE LEGISLATOR'S STAFF OR AS A MEMBER OF THE STAFF OF A LEGISLATIVE COMMITTEE].

* **Sec. 2.** AS 15.13.074(c) is amended to read:

(c) A person or group may not make a contribution

(1) to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, [WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION,] before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the [GENERAL] election **when the office is to be filled at a general election or the date of the proclamation when the office is to be filled at a special election**;

(2) to a candidate for the state legislature or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for the state legislature [, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION,] while the legislature is convened in **a** [ITS] regular **or special** legislative session**, unless the contribution is made during the 90 days immediately preceding an election in which the candidate or individual is a candidate, or** [AND] before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as

authorized by AS 15.13.100; or

(B) January 1 of the year of the [GENERAL] election;

(3) to a candidate or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for an office that is to be filled at a [SPECIAL ELECTION OR] municipal election before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100;

(B) **the date that** is nine months before the date of the [GENERAL OR REGULAR] municipal election [OR THAT IS BEFORE THE DATE OF THE PROCLAMATION OF THE SPECIAL ELECTION AT WHICH THE CANDIDATE OR INDIVIDUAL SEEKS ELECTION TO PUBLIC OFFICE]; or

(4) to any candidate later than the 45th day

(A) after the date of a primary election if the candidate

(i) has been nominated at the primary election or is running as a write-in candidate; and

(ii) is not opposed at the general election;

(B) after the date of the primary election if the candidate was not nominated at the primary election; or

(C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the candidate was opposed at the general, municipal, or municipal runoff election.

* **Sec. 3.** AS 15.13.110(a) is amended to read:

(a) Each candidate and group shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date

three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 10 days after the election; and

(4) February 15 for expenditures made and contributions received that were not reported during the previous year, including, if applicable, all amounts expended from a **public** [LEGISLATIVE] office **expense term** account established under AS 15.13.116(a)(9) and all amounts expended from a municipal office account under AS 15.13.116(a)(10), or when expenditures were not made or contributions were not received during the previous year.

*** Sec. 4.** AS 15.13.116(a) is amended to read:

(a) A candidate who, after the date of the general, special, municipal, or municipal runoff election or after the date the candidate withdraws as a candidate, whichever comes first, holds unused campaign contributions shall distribute the amount held within 90 days. The distribution may only be made to

(1) pay bills incurred for expenditures reasonably related to the campaign and the winding up of the affairs of the campaign, and to pay expenditures associated with post-election fund raising that may be needed to raise funds to pay off campaign debts;

(2) pay for a victory or a thank you party costing less than $500, or to give a thank you gift of a value of less than $50 to a campaign employee or volunteer;

(3) make donations, without condition, to

(A) a political party;

(B) the state's general fund;

(C) a municipality of the state; or

(D) the federal government;

(4) make donations, without condition, to organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not controlled by the candidate or a member of the candidate's immediate family;

(5) repay loans from the candidate to the candidate's own campaign under AS 15.13.078(b);

(6) repay contributions to contributors, but only if repayment of the contribution is made pro rata in approximate proportion to the contributions made using one of the following, as the candidate determines:

(A) to all contributors;

(B) to contributors who have contributed most recently; or

(C) to contributors who have made larger contributions;

(7) establish a fund for, and from that fund to pay, attorney fees or costs incurred in the prosecution or defense of an administrative or civil judicial action that directly concerns a challenge to the victory or defeat of the candidate in the election;

(8) transfer all or a portion of the unused campaign contributions to an account for a future election campaign; a transfer under this paragraph is limited to

(A) $50,000, if the transfer is made by a candidate for governor or lieutenant governor;

(B) $10,000, if the transfer is made by a candidate for the state senate;

(C) $5,000, if the transfer is made by a candidate for the state house of representatives; and

(D) $5,000, if the transfer is made by a candidate for an office not described in (A) - (C) of this paragraph;

(9) transfer all or a portion of the unused campaign contributions to a **public** [LEGISLATIVE] office **expense term** account **or to a public office expense term account reserve in accordance with (d) of this section**; a transfer under this paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to the state legislature;

(B) the **public** [LEGISLATIVE] office **expense term** account established under this paragraph may be used only for expenses associated with the candidate's serving as a member of the legislature;

(C) all amounts expended from the **public** [LEGISLATIVE] office **expense term** account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000 multiplied by the number of years in the term to which the candidate is elected; and

(10) transfer all or a portion of the unused campaign contributions to a municipal office account; a transfer under this paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to municipal office, including a municipal school board;

(B) the municipal office account established under this paragraph may be used only for expenses associated with the candidate's serving as mayor or as a member of the assembly, city council, or school board;

(C) all amounts expended from the municipal office account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000.

* **Sec. 5.** AS 15.13.116 is amended by adding a new subsection to read:

(d) After a general or special election, a candidate for the state legislature who has been elected to the state legislature in that election may, from the amount retained in the public office expense term account reserve under this subsection, transfer to a public office expense term account not more than $5,000 each calendar year for use only for expenses associated with the candidate's serving as a member of the legislature. A candidate for the senate may transfer up to $20,000 from unused campaign contributions to a public office expense term account reserve. A candidate for the house of representatives may transfer up to $10,000 from unused campaign contributions to a public office expense term account reserve. The public office expense term account reserve may only be used to make transfers to the public office

expense term account. At the end of the candidate's term of office, a balance in the public office expense term account reserve must be disposed of as provided in (a) of this section but may not be disposed of as provided in (a)(1), (2), (5), or (7) - (10) of this section. All amounts expended under this subsection shall be annually accounted for under AS 15.13.110(a)(4).

* **Sec. 6.** AS 23.20.526(d) is amended to read:

(d) For the purposes of AS 23.20.525(a)(4) - (6) and (14), the term "employment" does not apply to service performed

(1) by a duly ordained, commissioned, or licensed minister of a church in the exercise of the person's ministry or by a member of a religious order in the exercise of duties required by the order;

(2) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market by an individual receiving the rehabilitation or remunerative work;

(3) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or any agency of a state or political subdivision of the state, by an individual receiving work relief or work training;

(4) for a state hospital by an inmate of a prison or correctional institution;

(5) in the employ of a school, college, or university [,] if the service is performed by a student who is enrolled and is regularly attending classes at the school, college, or university;

(6) by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution **that** [WHICH] normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at the institution, **that** [WHICH] combines academic

instruction with work experience, if the service is an integral part of the program, and the institution has so certified to the employer, except that this paragraph does not apply to service performed in a program established for or on behalf of an employer or group of employers;

(7) in the employ of a hospital, if the service is performed by a patient of the hospital, as defined in AS 23.20.520;

(8) in the employ of the state or a political subdivision of the state if the service is performed by an individual in the exercise of duties

(A) as a **judicial officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch, a person hired or appointed as the director of a division of a department in the executive branch, an assistant to the governor, a chair or member of a state commission or board, state investment officers and the state comptroller in the Department of Revenue, the executive director of the Alaska Tourism Marketing Council, an appointed or elected municipal officer** ["PUBLIC OFFICIAL" AS DEFINED IN AS 39.50.200(a)], any other elected official, the fiscal analyst of the legislative finance division, the legislative auditor of the legislative audit division, the executive director of the Legislative Affairs Agency, and the directors of the divisions within the Legislative Affairs Agency;

(B) as a member of the Alaska Army National Guard or Alaska Air National Guard or Alaska Naval Militia; or

(C) as an employee serving on only a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency;

(9) in the employ of

(A) a church or a convention or association of churches; or

(B) an organization **that** [WHICH] is operated primarily for religious purposes and **that** [WHICH] is operated, supervised, controlled, or principally supported by a church or a convention or association of churches.

*** Sec. 7.** AS 24.25.010(e) is amended to read:

(e) This section does not apply to the legislative council**, the Select**

Committee on Legislative Ethics, or [NOR TO] the Legislative Budget and Audit Committee.

* **Sec. 8.** AS 24.45.041(b) is amended to read:

The registration form prescribed by the commission must include

(1) the lobbyist's full name and complete permanent residence and business address and telephone number, as well as any temporary residential and business address and telephone number in the state capital during a legislative session;

(2) the full name and complete address of each person by whom the lobbyist is retained or employed;

(3) whether the person from whom the lobbyist receives compensation employs the person solely as a lobbyist or whether the person is a regular employee performing other services for the employer **that** [WHICH] include but are not limited to the influencing of legislative or administrative action;

(4) the nature or form of the lobbyist's compensation for engaging in lobbying, including salary, fees, or reimbursement for expenses received in consideration for, or directly in support of or in connection with, the influencing of legislative or administrative action;

(5) a general description of the subjects or matters on which the registrant expects to lobby or to engage in the influencing of legislative or administrative action;

(6) the full name and complete address of the person, if other than the registrant, who has custody of the accounts, books, papers, bills, receipts, and other documents required to be maintained under this chapter;

(7) the identification of a legislator, legislative employee, or public official to whom the lobbyist is married or who is the spousal equivalent of the lobbyist; in this paragraph, "spousal equivalent" has the meaning given in AS 39.50.030(g).

* **Sec. 9.** AS 24.45.171(12) is amended to read:

(12) "public official" or "public officer" means

(A) a public official as defined in AS 39.50.200(a) **but does not include a judicial officer or an elected or appointed municipal officer;**

(B) [,] a member of the legislature; [,] or

(C) an upper-level employee [A LEGISLATIVE DIRECTOR] as defined in AS 24.60.990(a) [; HOWEVER, IT DOES NOT INCLUDE A JUDICIAL OFFICER OR AN ELECTED OR APPOINTED MUNICIPAL OFFICER].

* **Sec. 10.** AS 24.60.030(a) is amended to read:

(a) A legislator or legislative employee may not

(1) solicit, agree to accept, or accept a benefit other than official compensation for the performance of public duties; this paragraph may not be construed to prohibit lawful solicitation for and acceptance of campaign contributions or the acceptance of a lawful gratuity under AS 24.60.080;

(2) use public funds, facilities, equipment, services, or another government asset or resource for a nonlegislative [NONGOVERNMENTAL] purpose, for involvement in or support of or opposition to partisan political activity, or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and either the cost or value related to the use is nominal or the legislator or legislative employee reimburses the state for the cost of the use;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nongovernmental purposes; [OR]

(C) telephone or facsimile use that does not carry a special charge;

(D) the legislative council, notwithstanding AS 24.05.190, from designating a public facility for use by legislators and legislative employees for health or fitness purposes; when the council designates a facility to be used by legislators and legislative employees for health or fitness purposes, it shall adopt guidelines governing access to and use of the facility; the guidelines may establish times in which use of the facility

is limited to specific groups; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nongovernmental purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others;

(3) knowingly seek, accept, use, allocate, grant, or award public funds for a purpose other than that approved by law, or make a false statement in connection with a claim, request, or application for compensation, reimbursement, or travel allowances from public funds;

(4) require a legislative employee to perform services for the private benefit of the legislator or employee at any time, or allow a legislative employee to perform services for the private benefit of a legislator or employee on government time; it is not a violation of this paragraph if the services were performed in an unusual or infrequent situation and the person's services were reasonably necessary to permit the legislator or legislative employee to perform official duties;

(5) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for the purpose of political fund raising or campaigning; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and **either** the cost or value related to the use is nominal **or the legislator or legislative employee reimburses the state for the cost of the use**;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nongovernmental purposes; [OR]

(C) telephone **or facsimile** use that does not carry a special charge;

(D) storing or maintaining, consistent with (b) of this section, election campaign records in a legislator's office; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nongovernmental purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others.

*** Sec. 11.** AS 24.60.030(c) is repealed and reenacted to read:

(c) Unless approved by the committee, during a campaign period for an election in which the legislator or legislative employee is a candidate, a legislator or legislative employee may not use or permit another to use state funds, other than funds to which the legislator is entitled under AS 24.10.110, to print or distribute a political mass mailing to individuals eligible to vote for the candidate. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before the date of an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election, or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or general or special election;

(2) a mass mailing is considered to be political if it is from or about a legislator, legislative employee, or another person who is a candidate for election or reelection to the legislature or another federal, state, or municipal office or to the board of an electric or telephone cooperative.

* **Sec. 12.** AS 24.60.030(d) is amended to read:

(d) A legislator, **legislative employee,** or another person on behalf of the legislator **or legislative employee**, or a campaign committee of the legislator **or legislative employee**, may not distribute or post campaign literature, placards, posters, **fund-raising notices,** or other communications intended to influence the election of a candidate in an election in public areas in a facility ordinarily used to conduct state government business. **This prohibition applies whether or not the election has been concluded. However, a legislator may post, in the legislator's private office, communications related to an election that has been concluded.**

* **Sec. 13.** AS 24.60.030(f) is amended to read:

(f) A legislative employee may not serve in a position that requires confirmation by the legislature. A legislator or legislative employee may serve on a board of an organization, including a governmental entity, that regularly has a substantial interest in the legislative activities of the legislator or employee [,] if the legislator or employee discloses the board membership to the committee. **A legislator or legislative employee who is required to make a disclosure under this subsection shall file the disclosure with the committee by the deadlines set out in AS 24.60.105 stating the name of each organization on whose board the person serves. The committee shall maintain a public record of the disclosure and forward the disclosure to the appropriate house for inclusion in the journal. This subsection does not require a legislator or legislative employee who is appointed to a board by the presiding officer to make a disclosure of the appointment to the committee if the appointment has been published in the appropriate legislative journal during the calendar year.**

* **Sec. 14.** AS 24.60.030(g) is repealed and reenacted to read:

(g) A legislator or legislative employee who has a substantial financial interest that may be affected by official action may not take official action on the matter unless the financial interest has been disclosed as required by this subsection. In the case of a matter that is before a legislative committee or a house of the legislature, the legislator or legislative employee shall orally disclose the financial interest to the legislative committee or to the legislative house, as appropriate. The disclosure must

be reported in the journal or in the committee minutes, as appropriate. In the case of a matter that is not before a legislative committee or a house of the legislature, the legislator or legislative employee shall disclose the financial interest to the ethics committee in writing, to be received by the committee within seven days after the legislator or legislative employee takes the action. This written disclosure is a public document. The committee shall promptly forward the disclosure to the clerk of the house or the senate secretary for publication in the journal. A disclosure under this subsection, whether written or oral, must include the nature of the financial interest and a short description of how the action taken affects the interest. In this subsection,

(1) "financial interest" includes

(A) an equity or ownership interest in a business, investment, real property, lease, or other enterprise if the effect of the action on that interest is greater than the effect on a substantial class of persons to which the legislator or legislative employee belongs as a member of a profession, occupation, industry, or region;

(B) an interest based on employment of the legislator or legislative employee or the spouse, spousal equivalent, or dependent child of the legislator or legislative employee;

(C) an interest based on a contract, including a personal services contract, in which the legislator or legislative employee or the spouse, spousal equivalent, or dependent child of the legislator or legislative employee is entitled to receive a benefit from a business or other entity;

(D) an interest created by membership on the board of directors of a corporation regardless of whether the effect of the action on that interest is greater than the effect on a substantial class of persons to which the legislator or legislative employee belongs as a member of a profession, occupation, industry, or region;

(2) "official action" includes legislative, administrative, and political action.

* **Sec. 15.** AS 24.60.030 is amended by adding a new subsection to read:

(h) In this section, when determining whether an employee is considered to be

performing a task on government time, the committee shall consider the employee's work schedule as set by the employee's immediate supervisor. An employee who engages in political campaign activities other than incidental campaign activities as described in this subsection during the employee's work day shall take leave for the period of campaigning. Political campaign activities while on government time are permissible if the activities are part of the normal legislative duties of the employee, including answering telephone calls and handling incoming correspondence.

* **Sec. 16.** AS 24.60.031(a) is amended to read:

(a) A legislator or legislative employee may not

(1) **on a day when either house of** [WHILE] the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a **campaign for the state legislature; however, a legislator may solicit or accept a contribution, promise, or pledge for a campaign for the state legislature that occurs during the 90 days immediately preceding an election in which the legislator is a candidate for the state legislature** [STATE LEGISLATIVE CAMPAIGN];

(2) accept money from an event held **on a day when either house of the legislature is in regular or special** [DURING A LEGISLATIVE] session if a substantial purpose of the event is [EITHER] to raise money on behalf of the member or legislative employee for [CAMPAIGN PURPOSES OR TO RAISE MONEY FOR] state legislative political purposes; **however, this paragraph does not prohibit a legislator from accepting money from an event held during the 90 days immediately preceding an election in which the legislator is a candidate for the state legislature;** or

(3) **in a campaign for the state legislature,** expend money **that was raised on a day when either house of the legislature was** in a [STATE] legislative **session** [CAMPAIGN THAT WAS RAISED] by or on behalf of a legislator [DURING A LEGISLATIVE SESSION] under **a declaration of candidacy or** a general letter of intent to become a candidate for public office**; however, this paragraph does not apply to money raised during the 90 days immediately preceding an election in which the legislator is a candidate for the state legislature**.

* **Sec. 17.** AS 24.60.039 is amended by adding a new subsection to read:

(b) If a person files a complaint with the committee under AS 24.60.170 alleging a violation of this section, the committee may refer the complainant to the State Commission for Human Rights and may defer its consideration of the complaint until after the complainant establishes to the satisfaction of the committee that the commission has completed its proceedings in the matter.

* **Sec. 18.** AS 24.60.040(a) is amended to read:

(a) A legislator or legislative employee, or a member of the immediate family of a legislator or legislative employee, may not be a party to or have an interest in a state contract or lease unless the contract or lease is let [THROUGH COMPETITIVE SEALED BIDDING] under AS 36.30 (State Procurement Code) **or, for agencies that are not subject to AS 36.30, under similar procedures,** or the total annual amount of the state contract or lease is **$5,000** [$1,000] or less, or is a standardized contract or lease that was developed under publicly established guidelines and is generally available to the public at large, members of a profession, occupation, or group. A person has an interest in a state contract or lease under this section if the person receives direct or indirect financial benefits. **A legislator or legislative employee who participates in, or who knows or reasonably should know that a family member is participating in, a state contract or lease that has an annual value of $5,000 or more shall disclose the participation to the committee by the date required under AS 24.60.105. The legislator or legislative employee shall also disclose the renegotiation of a state contract or lease if the original had to be disclosed under this section or if, as a result of renegotiation, disclosure is required under this section. The disclosure must state the amount of the contract or lease and the name of the state agency issuing the contract or lease and must identify the procedures under which the contract or lease was issued. If the disclosure concerns a contract or lease in which a family member of the discloser is participating, the disclosure must identify the relationship between the participant and the discloser.**

* **Sec. 19.** AS 24.60.040 is amended by adding a new subsection to read:

(c) This section does not apply to a contract or lease issued under a state

program or loan that is subject to AS 24.60.050. A grant that results in a contract but that is not subject to AS 24.60.050 is subject to this section.

* **Sec. 20.** AS 24.60.050(c) is amended to read:

(c) A legislator or legislative employee who participates in a program or receives a loan that is not exempt from disclosure under (a) of this section shall file a written report with the committee by **the date required under AS 24.60.105** [FEBRUARY 15 OF EACH YEAR] stating the amounts of the loans outstanding or benefits received during the preceding calendar year from nonqualifying programs. If the committee requests additional information necessary to determine the propriety of participating in the program or receiving the loan, it shall be promptly provided. The committee shall promptly compile a list of the statements indicating the loans and programs and amounts and send it to the presiding officer of each house who shall have it published in the supplemental journals within three weeks **after** [OF] the filing date. **A legislator or legislative employee who believes that disclosure of participation in a program would be an invasion of the participant's right to privacy under the state constitution may request the committee to keep the disclosure confidential. If the committee finds that publication would constitute an invasion of privacy, the committee shall publish only the fact that a person has participated in the program and the amount of benefit that the unnamed person received. The committee shall maintain the disclosure of the name of the person as confidential and may only use the disclosure in a proceeding under AS 24.60.170. If the disclosure becomes part of the record of a proceeding under AS 24.60.170, the disclo may be made public as provided in that section.**

* **Sec. 21.** AS 24.60.060 is amended by adding a new subsection to read:

(b) A legislator or legislative employee who is the subject of a complaint under AS 24.60.170 violates this section if the legislator or legislative employee violates a protective order issued under AS 24.60.170(i).

* **Sec. 22.** AS 24.60.070(b) is amended to read:

(b) **A legislator or legislative employee required to make a disclosure under this section shall make a disclosure by the date set under AS 24.60.105 of the legislator's or legislative employee's close economic associations then in**

existence. A disclosure under this section must be sufficiently detailed that a reader of the disclosure can ascertain the nature of the association.

* **Sec. 23.** AS 24.60.070 is amended by adding a new subsection to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the legislator or legislative employee is married or who is the legislator's or legislative employee's spousal equivalent, the legislator or legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received by the lobbyist from the lobbyist's employer. The legislator or legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person.

* **Sec. 24.** AS 24.60.080(a) is amended to read:

(a) **Except as otherwise provided in this section, a** [A] legislator or legislative employee may not solicit, accept, or receive, directly or indirectly, a gift worth **$250** [$100] or more, whether in the form of money, services, a loan, travel, entertainment, hospitality, promise, or other form, or gifts from the same person worth less than **$250** [$100] that in a calendar year aggregate to **$250** [$100] or more in value**. Except for food or beverage for immediate consumption, a legislator or legislative employee** [, AND] may not solicit, accept, or receive during a legislative session a gift with any monetary value from a lobbyist or a person acting on behalf of a lobbyist.

* **Sec. 25.** AS 24.60.080(c) is amended to read:

(c) Notwithstanding (a) of this section, it is not a violation of this section for a legislator or legislative employee to accept

(1) hospitality, other than hospitality described in (4) of this subsection,

(A) with incidental transportation at the residence of a person; **however, a vacation home located outside the state is not considered a residence for the purposes of this subparagraph;** or

(B) at a social event or meal;

(2) discounts that are available

(A) generally to the public or to a large class of persons to which the person belongs; or

(B) when on official state business, but only if receipt of the discount benefits the state;

(3) food or foodstuffs indigenous to the state that are shared generally as a cultural or social norm;

(4) travel and hospitality primarily for the purpose of obtaining information on matters of legislative concern;

(5) gifts from the immediate family of the person; [OR]

(6) gifts that are not connected with the recipient's legislative status; or

(7) a discount for all or part of a legislative session, including time immediately preceding or following the session, or other gift to welcome a legislator or legislative employee who is employed on the personal staff of a legislator or by a standing or special committee to the capital city or in recognition of the beginning of a legislative session if the gift or discount is available generally to all legislators and the personal staff of legislators and staff of standing and special committees; this paragraph does not apply to legislative employees who are employed by the Legislative Affairs Agency, the office of the chief clerk, the office of the senate secretary, the legislative budget and audit committee, or the office of the ombudsman.

* **Sec. 26.** AS 24.60.080(d) is amended to read:

(d) A legislator or legislative employee who accepts a gift under (c)(4) [OR (6)] of this section shall disclose the gift if it has a value of **$250** [$100] or more**; the** [. THE] disclosure must include the name and occupation of the person making the gift, [AND] the approximate value of the gift**, and** [. A GIFT UNDER (c)(4) OF THIS SECTION REQUIRED TO BE DISCLOSED UNDER THIS SUBSECTION] shall be disclosed **to the committee** within 30 days **after** [OF] the receipt of the gift**. Except as provided in (i) of this section, a gift** [TO THE COMMITTEE. GIFTS] under (c)(6) of this section **that has a value of $250 or more** shall be disclosed to the committee annually on or before **February 15** [APRIL 15] of the following calendar

year; **the** [AND THE] disclosure needs to include **only a description of the gift and the identity of the donor** [THE VALUE ONLY IF THE VALUE OF THE GIFT EXCEEDS $250]. The committee shall maintain a public record of the disclosure it receives relating to gifts under (c)(4) of this section and shall forward the disclosure to the appropriate house for inclusion in the journal. Disclosures relating to gifts under (c)(6) of this section shall be maintained, but are confidential and may only be used by the committee and its employees and contractors in the investigation of a possible violation of this section or in a proceeding under AS 24.60.170. If the disclosures become part of the record of a proceeding under AS 24.60.170, the confidentiality provisions of that section apply to the disclosures. **The committee shall forward to the Alaska Public Offices Commission copies of the disclosures concerning gifts under (c)(4) of this section that it receives from legislative employees who are required to file financial disclosure statements under AS 24.60.200 and from legislators.**

* **Sec. 27.** AS 24.60.080(e) is amended to read:

(e) A political contribution [THAT IS REPORTED UNDER AS 15.13.040] is not a gift under this section **if it is reported under AS 15.13.040 or is exempt from the reporting requirement under AS 15.13.040(g)**.

* **Sec. 28.** AS 24.60.080(f) is amended to read:

(f) Notwithstanding (a) of this section, a legislator or legislative employee may accept a gift of property worth **$250** [$100] or more, other than money, from **another** [A FOREIGN] government or from an official of **another** [A FOREIGN] government if the person accepts the gift on behalf of the legislature. The person shall, within 60 days **after** [OF] receiving the gift, deliver the gift to the legislative council, which shall determine the appropriate disposition of the gift. **In this subsection, "another government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.**

* **Sec. 29.** AS 24.60.080(g) is amended to read:

(g) In this section, "immediate family" **or "family member" means**

(1) the spouse of the person;

(2) the person's spousal equivalent;

(3) a child, including a stepchild and an adoptive child, of the person or of the person's spousal equivalent;

(4) a parent, sibling, grandparent, aunt, or uncle of the person; and

(5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse or the person's spousal equivalent [HAS THE MEANING GIVEN IN AS 24.60.990(a)(5) AND INCLUDES THE GRANDPARENTS, AUNTS, AND UNCLES OF A PERSON, AND ALSO INCLUDES A PERSON DESCRIBED IN THIS SUBSECTION OR AS 24.60.990(a)(5) WHO IS RELATED TO THE PERSON BY MARRIAGE].

* **Sec. 30.** AS 24.60.080 is amended by adding new subsections to read:

(h) Notwithstanding (a) of this section, a legislator or legislative employee may solicit, accept, or receive a gift on behalf of a recognized, nonpolitical charitable organization.

(i) A legislator or legislative employee who receives an inheritance worth $250 or more from a person other than a family member shall disclose the fact of the receipt of an inheritance and the identity of the decedent to the committee by the deadline set out in AS 24.60.105. The committee shall treat the disclosure as a disclosure relating to a gift not connected to the recipient's legislative status under (c)(6) of this section. This subsection does not require disclosure of the value of the inheritance.

(j) A legislator, a legislative committee other than the Select Committee on Legislative Ethics, or a legislative agency may accept (1) a gift of volunteer services for legislative purposes so long as the person making the gift of services is not receiving compensation from another source for the services or (2) a gift of the services of a trainee who is participating in an educational program approved by the committee if the services are used for legislative purposes. The committee shall approve training under a program of the University of Alaska and training under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act). A legislative volunteer or educational trainee shall be considered to be a legislative employee for purposes of compliance with AS 24.60.030 - 24.60.039, 24.60.060, 24.60.080, 24.60.085, 24.60.158 - 24.60.170, 24.60.176, and 24.60.178. If a person believes that a legislative volunteer or educational trainee has violated the provisions of one of those sections, the person

may file a complaint under AS 24.60.170. The provisions of AS 24.60.170 apply to the proceeding. This subsection does not permit a legislator or legislative employee to accept a gift of services for nonlegislative purposes.

(k) A legislator or legislative employee who knows or reasonably should know that a family member has received a gift because of the family member's connection with the legislator or legislative employee shall report the receipt of the gift by the family member to the committee if the gift would have to be reported under this section if it had been received by the legislator or legislative employee or if receipt of the gift by a legislator or legislative employee would be prohibited under this section.

(l) In this section, the value of a gift shall be determined by the fair market value of the gift to the extent that the fair market value can be determined.

*** Sec. 31.** AS 24.60.085(a) is amended to read:

(a) A legislator or legislative employee may not

(1) seek or accept compensation for personal services that **is significantly greater than the value of** [INVOLVES PAYMENTS THAT ARE NOT COMMENSURATE WITH] the services rendered taking into account the higher rates generally charged by specialists in a profession; or

(2) accept a payment of anything of value, except for actual and necessarily incurred travel expenses, for an appearance or speech by the legislator or legislative employee; this paragraph does not apply to the salary paid to a legislator or legislative employee for making an appearance or speech as part of the legislator's or legislative employee's normal course of employment.

*** Sec. 32.** AS 24.60.100 is amended to read:

Sec. 24.60.100. Representation. A legislator or legislative employee who represents another person for compensation before an agency, board, or commission of the state shall disclose the name of the person represented, the subject matter of the representation, and the body before which the representation is to take place to the committee. **The disclosure shall be made by the deadlines set out in AS 24.60.105.** The committee shall maintain a public record of **a** [THE] disclosure **under this section** and forward the disclosure to the respective house for inclusion in the journal. A legislator or legislative employee may not represent another person for compensation

before an agency, committee, or other entity of the legislative branch.

* **Sec. 33.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.105. Deadlines for filing disclosures. (a) When a legislator or legislative employee is required to file a disclosure under this chapter and a date by which the disclosure must be filed is not otherwise set by statute, the deadlines set out in this section shall apply. For disclosure of a matter or an interest that began or was acquired during the interim between regular legislative sessions, whether or not the regular session is extended or there is a special session, or during the last 30 days of a regular session, the legislator or legislative employee shall disclose the matter by February 15. For disclosure of a matter or an interest that began or was acquired during a regular legislative session, but not during the last 30 days of the regular session, the disclosure must be made within 30 days after the commencement of the interest or representation.

(b) Disclosures under the following statutes are subject to the deadlines set out in this section:

(1) service on the board of an organization as set out in AS 24.60.030(f);

(2) an interest in a state contract or lease under AS 24.60.040 and the renegotiation of the terms of a state contract or lease that materially affect the obligations of either party;

(3) participation in a state program or receipt of a state loan under AS 24.60.050 and the renegotiation of the terms of the program or loan if the renegotiation materially affects the obligations of either party;

(4) formation or maintenance of a close economic association under AS 24.60.070;

(5) receipt of an inheritance under AS 24.60.080(i);

(6) representation of a client under AS 24.60.100.

* **Sec. 34.** AS 24.60.130(f) is amended to read:

(f) The committee may contract for professional services and may employ staff as it considers necessary. A committee employee, including a person who provides personal services under a contract with the committee, may not be a legislator, an

elected or appointed official of a state or local governmental entity, an officer of a political party, a candidate for public office, or a registered lobbyist. The legislative council shall provide office space, equipment, and additional staff support for the committee. The committee shall submit a budget for each fiscal year to the finance committees of the legislature and shall annually submit an estimated budget to the governor for information purposes in preparation of the state operating budget. **Public members of the committee serve without compensation for their services, but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.**

* **Sec. 35.** AS 24.60.130(h) is amended to read:

(h) A member is disqualified from participating as a member in any proceeding before the committee involving a complaint against the member **or an employee whose work is supervised by the member** or an advisory opinion requested by the member. If **a regular legislative member of the committee is disqualified under this subsection from participating in a proceeding involving a complaint, an alternate shall be appointed under (o) of this section** [THE LEGISLATURE IS IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED UNDER THIS SUBSECTION, THE PRESIDING OFFICER OF THAT MEMBER'S HOUSE SHALL, WITH THE CONCURRENCE BY ROLL CALL VOTE OF TWO-THIRDS OF THE FULL MEMBERSHIP OF THAT HOUSE, APPOINT ANOTHER MEMBER FROM THAT HOUSE TO ACT AS A MEMBER OF THE COMMITTEE IN THE PROCEEDING. IF THE LEGISLATURE IS NOT IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED, THE PRESIDING OFFICER OF THE HOUSE OF WHICH THE DISQUALIFIED LEGISLATOR IS A MEMBER SHALL APPOINT ANOTHER MEMBER FROM THAT HOUSE, WITH A RECORDED CONCURRENCE OF A MAJORITY VOTE OF THE SUBCOMMITTEE OF THAT HOUSE, TO ACT AS A MEMBER OF THE COMMITTEE IN THE PROCEEDING].

* **Sec. 36.** AS 24.60.130 is amended by adding a new subsection to read:

(o) When appointing members of the legislature to serve on the committee, the speaker of the house or the president of the senate, as appropriate, shall appoint an

alternate member for each regular member. An alternate must have the same qualifications as the regular member for whom the alternate stands as alternate and is subject to confirmation as required for the regular member. If a regular legislative member of the committee or a subcommittee is disqualified under (h) of this section from serving on the committee or the subcommittee concerning a proceeding under AS 24.60.170, the chair of the committee or a subcommittee shall designate the regular member's alternate to serve in place of the regular member in the proceeding unless the alternate is also disqualified from serving. The designation shall be treated as confidential to the same extent that the identity of the subject of a complaint is required to be kept confidential.

* **Sec. 37.** AS 24.60.134(a) is amended to read:

(a) **Except as provided in (c) of this section, in** [IN] addition to **complying with** the requirements of this chapter, a public member of the committee, an employee of the committee, or a person under contract to provide personal services to the committee may not**, during the person's term of office or employment or during the life of the contract, participate in**

(1) [PARTICIPATE IN] political management or in a political campaign **for a candidate for election to federal, state, or local office, regardless of whether the campaign is partisan or nonpartisan, or for passage or defeat of a ballot measure of any type** [DURING THE PERSON'S TERM OF OFFICE, EMPLOYMENT, OR CONTRACT];

(2) [PARTICIPATE IN] the campaign of, attend campaign fund-raising events for, or make a financial contribution to

(A) a candidate for the legislature;

(B) an incumbent legislator or legislative employee who is a candidate for another public office; or

(C) a person running for another office against an incumbent legislator or legislative employee; [OR]

(3) **a fund-raising event held on behalf of a political party or attend a political party fund-raising event; or**

(4) [PARTICIPATE IN] lobbying activities that would require the

person to register as a lobbyist except as required to inform the legislature concerning legislation requested by the committee or other matters related to the committee.

* **Sec. 38.** AS 24.60.134 is amended by adding a new subsection to read:

(c) A person under contract to provide personal services to the committee who is part of a corporation or partnership that includes individuals who will not be participating directly in the work performed by the entity for the committee may request the committee to exclude members of the entity from some or all of the provisions of this section. The committee may grant the request if it finds that doing so will not lead to the appearance that the committee is subject to undue political influence and if there is no appearance of impropriety.

* **Sec. 39.** AS 24.60.160 is amended to read:

Sec. 24.60.160. Advisory opinions. **(a) On the request of a person to whom this chapter applies or who has been newly elected to the legislature, the** [THE] committee shall issue an advisory opinion within **60** [30] days [ON THE REQUEST OF A PERSON TO WHOM THE CHAPTER APPLIES OR A PERSON ELECTED TO THE LEGISLATURE WHO AT THE TIME OF ELECTION IS NOT A MEMBER OF THE LEGISLATURE] as to whether the facts and circumstances of a particular case constitute a violation of ethical standards. **If it finds that it is advisable to do so, the committee may issue an opinion under this section on the request of a person who reasonably expects to become subject to this chapter within the next 45 days.** The **60-day** [30-DAY] period for issuing an opinion may be extended by the committee if the person requesting the opinion consents.

(b) An [THE] opinion issued **under this section** is binding on the committee in any subsequent proceedings concerning the facts and circumstances of the particular case unless material facts were omitted or misstated in the request for the advisory opinion. Except as provided in this chapter, an advisory opinion is confidential but shall be made public if a written request by the person who requested the opinion is filed with the committee. **A person who requested an opinion, including a legislator, may not require admittance to an executive session of the committee when it is deliberating concerning the advisory opinion.**

* **Sec. 40.** AS 24.60.170(a) is amended to read:

(a) The committee shall consider a complaint alleging a violation of this chapter if the alleged violation occurred within five years **before** [OF] the date that the complaint is filed with the committee and, when the subject of the complaint is a former member of the legislature, the complaint is filed within one year **after** [OF] the subject's departure from the legislature. The committee may not consider a complaint filed against **all members of the legislature, against all members of one house of the legislature, or against** a person employed by the legislative branch of government after the person has terminated legislative service. **However, the committee may reinstitute proceedings concerning a complaint that was closed because a former employee terminated legislative service or because a legislator left the legislature if the former employee or legislator resumes legislative service, whether as an employee or a legislator, within five years after the alleged violation.** The committee may also initiate complaints on its own motion, subject to the same time limitations. The time limitations of this subsection do not bar proceedings against a person who intentionally prevents discovery of a violation of this chapter.

* **Sec. 41.** AS 24.60.170(b) is amended to read:

(b) A complaint may be initiated by any person. The complaint must be in writing and signed under oath by the person making the complaint **and must contain a statement that the complainant has reason to believe that a violation of this chapter has occurred and describe any facts known to the complainant to support that belief**. The committee shall upon request provide a form for a complaint to a person wishing to file a complaint. **Upon receiving a complaint, the committee shall advise the complainant that the committee or the subject of the complaint may ask the complainant to testify at any stage of the proceeding as to the complainant's belief that the subject of the complaint has violated this chapter. The committee shall respond to a complaint concerning the conduct of a candidate for election to state office received during the campaign period in accordance with (o) of this section.** The committee shall immediately provide a copy of the complaint to the person who is the subject of the complaint.

* **Sec. 42.** AS 24.60.170(c) is amended to read:

(c) When the committee receives a complaint under (a) of this section, it **may**

assign the complaint to a staff person. The staff person shall conduct a preliminary examination of the complaint and advise the committee whether the allegations of the complaint, if true, constitute a violation of this chapter and whether there is credible information to indicate that a further investigation and proceeding is warranted. The staff recommendation shall be based on the information and evidence contained in the complaint as supplemented by the complainant and by the subject of the complaint, if requested to do so by the staff member. The committee shall consider the recommendation of the staff member, if any, and shall determine whether the allegations of the complaint, if true, constitute a violation of this chapter. If the committee determines that the allegations, if proven, would not give rise to a violation, that the complaint is frivolous on its face, that there is insufficient credible information that can be uncovered to warrant further investigation by the committee, or that [IF] the committee's lack of jurisdiction is apparent on the face of the complaint, the committee shall dismiss the complaint [,] and shall notify the complainant and the subject of the complaint of the dismissal. The committee may ask the complainant to provide clarification or additional information before it makes a decision under this subsection and may request information concerning the matter from the subject of the complaint. Neither the complainant nor the subject of a complaint is obligated to provide the information. A proceeding conducted under this subsection, documents that are part of a proceeding, and a dismissal under this subsection are confidential as provided in (l) of this section unless the subject of the complaint waives confidentiality as provided in that subsection.

* Sec. 43. AS 24.60.170(f) is amended to read:

(f) If the committee determines after investigation that there is not probable cause to believe that the subject of the complaint has violated this chapter, the committee shall dismiss the complaint. The committee may also dismiss portions of a complaint if it finds no probable cause to believe that the subject of the complaint has violated this chapter as alleged in those portions. The committee shall issue a decision explaining its dismissal. Committee deliberations and vote on the dismissal order and decision are not open to the public or to the subject of the

complaint. A copy of the dismissal order and decision shall be sent to the complainant and to the subject of the complaint. Notwithstanding (l) of this section, a dismissal order and decision is open to inspection and copying by the public.

* **Sec. 44.** AS 24.60.170(g) is amended to read:

(g) If the committee investigation determines that a probable violation of this chapter exists that may be corrected by action of the subject of the complaint and that does not warrant sanctions other than correction, the committee may issue an opinion recommending corrective action. This opinion shall be provided to the complainant and to the subject of the complaint, and is open to inspection by the public. The subject of the complaint may comply with the opinion or may request a hearing before the committee under (j) of this section. After the hearing, the committee may amend or affirm the opinion. **If the subject of the complaint agrees to comply with the opinion but later fails to complete the corrective action in a timely manner, the committee may formally charge the person as provided in (h) of this section or may refer the matter to the appropriate house of the legislature, in the case of a legislator, or, in the case of a legislative employee, to the employee's appointing authority. The appropriate house of the legislature or the appointing authority, as appropriate, may take action to enforce the corrective action or may decline to take action and refer the matter to the committee. In either case, the committee may formally charge the person under (h) of this section.**

* **Sec. 45.** AS 24.60.170(h) is amended to read:

(h) If the subject of a complaint fails to comply with an opinion **and the committee decides** [ISSUED] under (g) of this section **to charge the person**, or if the committee determines after investigation that there is probable cause to believe that the subject of the complaint has committed a violation of this chapter that may require sanctions instead of or in addition to corrective action, the committee shall formally charge the person. The charge shall be served on the person charged, in a manner consistent with the service of summons under the rules of civil procedure, and a copy of the charge shall be sent to the complainant. The person charged may file a responsive pleading to the committee admitting or denying some or all of the allegations of the charge.

* Sec. 46. AS 24.60.170(i) is amended to read:

(i) A person charged under **(h)** [(b)] of this section may engage in discovery in a manner consistent with the Alaska Rules of Civil Procedure. The committee may **adopt procedures that**

(1) impose reasonable restrictions on the time for this discovery and on the materials that may be discovered**;**

(2) permit a person who is the subject of a complaint to engage in discovery at an earlier stage of the proceedings;

(3) impose reasonable restrictions on the release of information that the subject of a complaint acquires from the committee in the course of discovery, or on information obtained by use of the committee's authority, in order to protect the privacy of persons not under investigation to whom the information pertains; however, the committee may not impose restrictions on the release of information by the subject of the complaint unless the complainant has agreed to be bound by similar restrictions and has not made public the information contained in the complaint, information about the complaint, or the fact of filing the complaint.

* Sec. 47. AS 24.60.170(l) is amended to read:

(l) Proceedings of the committee relating to complaints before it are confidential until the committee determines that there is probable cause to believe that a violation of this chapter has occurred. The complaint and all documents produced or disclosed as a result of the committee investigation are confidential and not subject to inspection by the public. If in the course of an investigation or probable cause determination the committee finds evidence of probable criminal activity, the committee shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the committee finds evidence of a probable violation of AS 15.13, the committee shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission. All meetings of the committee before the determination of probable cause are closed to the public **and to legislators who are not members of the committee. However, the committee may permit the subject of the complaint to**

attend a meeting other than the deliberations on probable cause. The confidentiality provisions of this subsection may be waived by the subject of the complaint**, except that the subject of the complaint may not waive the confidentiality duty the committee owes to others and may not require the committee to deliberate in public**.

* **Sec. 48.** AS 24.60.170 is amended by adding a new subsection to read:

(c) The committee shall return a complaint concerning the conduct of a candidate for state office received during a campaign period to the complainant unless the subject of the complaint permits the committee to assume jurisdiction under this subsection. If the committee receives a complaint concerning the conduct of a candidate during the campaign period, the committee shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the committee's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the committee mails or otherwise sends notice of the complaint to the candidate, notify the committee that the candidate chooses to have the committee proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the committee that the candidate is not waiving the suspension of committee jurisdiction, the committee shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period. A campaign period under this subsection begins on the later of 45 days before a primary election in which the legislator or legislative employee is a candidate for state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified.

* **Sec. 49.** AS 24.60.174(a) is amended to read:

(a) If the person found to have violated this chapter is or was a member of the

legislature, the committee's recommendations shall be forwarded by the chair of the committee to the presiding officer of the appropriate house of the legislature. **If the committee recommends sanctions other than expulsion from the legislature, the committee recommendation**

(1) must include a suggested timetable for the compliance reports required under (e) of this section, if any; and

(2) may include recommended fines that the legislature may impose if the legislator who was found to have violated this chapter does not comply with the sanctions imposed by the legislature in a timely manner.

* **Sec. 50.** AS 24.60.174 is amended by adding a new subsection to read:

(e) When a house of the legislature imposes a sanction other than expulsion on a member or former member, it shall advise the committee at the time of imposing the sanction of the terms it has imposed and of the timetable for compliance adopted with the sanctions. A legislator or former legislator on whom sanctions other than expulsion have been imposed shall report to the committee as required by the timetable. If the committee determines that the legislator or former legislator has not complied fully and in a timely manner with the sanctions imposed by the legislature, the committee may recommend that the legislature impose a fine or additional sanctions.

* **Sec. 51.** AS 24.60.176 is amended to read:

Sec. 24.60.176. Recommendations where violator is a legislative employee. If the person found to have violated this chapter is or was a legislative employee, the committee's recommendations shall be forwarded to the appropriate appointing authority which shall, as soon as is reasonably possible, determine the sanctions, if any, to be imposed. The appointing authority may not question the committee's findings of fact. The appointing authority shall assume the validity of the committee's findings [,] and determine and impose the appropriate sanctions. **The appointing authority has the power to impose a sanction recommended by the committee or to impose a different sanction. The appointing authority shall enforce the sanction and shall report to the committee at a time specified by the committee concerning the employee's compliance with the sanction.**

* **Sec. 52.** AS 24.60.176 is amended by adding a new subsection to read:

(b) In this section, "appointing authority" means

(1) the legislative council for employees of the Legislative Affairs Agency and of the legislative council and for legislative employees not otherwise covered under this subsection;

(2) the Legislative Budget and Audit Committee for the legislative fiscal analyst and employees of the division of legislative finance, the legislative auditor and employees of the division of legislative audit, and employees of the Legislative Budget and Audit Committee;

(3) the appropriate finance committee for employees of the senate or house finance committees;

(4) the appropriate rules committee for employees of standing committees of the legislature, other than the finance committees, and employees of the senate secretary's office and the office of the chief clerk of the house of representatives;

(5) the legislator who made the hiring decision for employees of individual legislators; however, the legislator may request the appropriate rules committee to act in the legislator's stead;

(6) the ombudsman for employees of the office of the ombudsman, other than the ombudsman;

(7) the legislature for the ombudsman.

* **Sec. 53.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.178. Recommended sanctions. (a) When the committee finds that a person has violated this chapter, the committee may recommend appropriate sanctions, including sanctions set out in (b) of this section.

(b) The sanctions that the committee may recommend include

(1) imposition of a civil penalty of not more than $5,000 for each offense or twice the amount improperly gained, whichever is greater;

(2) divestiture of specified assets or withdrawal from specified associations;

(3) additional, detailed disclosure, either as a public disclosure or as a

confidential disclosure to the committee;

(4) in the case of a legislative employee, suspension of employment with or without pay for a stated period of time or until stated conditions are met, or termination from legislative employment;

(5) restitution of property or reimbursement of improperly received benefits;

(6) public or private written reprimand;

(7) censure, including, in the case of a legislator, removal from a leadership position or committee membership and a determination that the legislator will not be appointed to serve in a leadership position or on a committee during the remainder of that legislature;

(8) placing the person on probationary status;

(9) in the case of a legislator, expulsion from the house of the legislature;

(10) any other appropriate measure.

(c) In addition to or in place of a sanction recommended under (b) of this section, the committee may recommend that the subject of a complaint be required to pay all or a portion of the costs related to the investigation and adjudication of a complaint.

* **Sec. 54.** AS 24.60.200 is amended to read:

Sec. 24.60.200. Financial disclosure by legislators, upper-level employees, and public members of the committee [LEGISLATIVE DIRECTORS]. A legislator, **an upper-level employee,** and a **public member of the committee** [LEGISLATIVE DIRECTOR] shall file a disclosure statement, under oath and on penalty of perjury, with the Alaska Public Offices Commission giving the following information about the income received by **the discloser, the discloser's spouse or spousal equivalent, the discloser's** [THEM, THEIR SPOUSES, THEIR] dependent children, and **the discloser's** [THEIR] nondependent children who are living with **the discloser** [THEM]:

(1) the information that a public official is required to report under AS 39.50.030, **other than information about gifts** [EXCEPT THAT SOURCES OF

INCOME OTHER THAN GIFTS OF $1,000 OR LESS, AND LOANS OF $1,000 OR LESS NEED NOT BE REPORTED];

(2) as to income in excess of $1,000 received as compensation for personal services, the name and address of the source of the income, and a statement describing the nature of the services performed; if the source of income is known or reasonably should be known to have a substantial interest in legislative, administrative, or political action and the recipient of the income is a legislator or **an upper-level employee** [A LEGISLATIVE DIRECTOR], the amount of income received from the source shall be disclosed;

(3) as to each loan or loan guarantee over $1,000 from a source with a substantial interest in legislative, administrative, or political action, the name and address of the person making the loan or guarantee, the amount of the loan, the terms and conditions under which the loan or guarantee was given, the amount outstanding at the time of filing, and whether or not a written loan agreement exists [;

(4) THE SOURCE OF A GIFT, OTHER THAN AN INHERITANCE, RECEIVED DURING THE PRECEDING CALENDAR YEAR BY THE PERSON, THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THE PERSON, IF THE AMOUNT OF THE GIFT EXCEEDS $100 AND IS RECEIVED FROM A PERSON WHO IS NOT A MEMBER OF THE RECIPIENT'S FAMILY].

* **Sec. 55.** AS 24.60.210 is amended to read:

Sec. 24.60.210. Deadlines for filing of disclosure statements. A legislator and **an upper-level employee** [A LEGISLATIVE DIRECTOR] shall file an annual report with the Alaska Public Offices Commission, covering the previous calendar year, containing the disclosures required by AS 24.60.200, on or before **February** [APRIL] 15 of each year. **However, an upper-level employee who was first appointed to a position compensated at Range 19 or above on or after January 1 of the calendar year in which the report is to be filed is required to file the report on or before the 60th day after the employee was hired into the position.**

* **Sec. 56.** AS 24.60.240 is amended to read:

Sec. 24.60.240. Civil penalty for late filing. A legislator or **an upper-level**

employee [A LEGISLATIVE DIRECTOR] who fails to file a properly completed report under AS 24.60.200 is subject to a civil penalty of not more than $10 a day for each day the delinquency continues as the Alaska Public Offices Commission determines, subject to appeal to the superior court. An affidavit stating facts in mitigation may be submitted to the Alaska Public Offices Commission by the person against whom the civil penalty is assessed. However, the imposition of the penalties prescribed in this section does not excuse the person from filing reports required by AS 24.60.200.

* **Sec. 57.** AS 24.60.250 is amended to read:

Sec. 24.60.250. Effect of failure to file by legislative candidate or upper level employee. In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that a candidate for the legislature who is an incumbent legislator [OR A LEGISLATIVE DIRECTOR] has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the lieutenant governor. The candidate shall forfeit nomination to office and may not be seated in office. The lieutenant governor may not certify the person's nomination for office or election to office, and nomination to the office shall be certified as provided in AS 39.50.060(b). **In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that an upper-level employee has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the appropriate committee of the legislature. For the ombudsman and employees of the office of the ombudsman, the appropriate committee is the Alaska Legislative Council. For upper-level employees who are not employed by the Legislative Affairs Agency or the Legislative Budget and Audit Committee, the commission shall notify the Rules Committee of the appropriate legislative body.**

* **Sec. 58.** AS 24.60.260(a) is amended to read:

(a) A person required to make a disclosure under this chapter may not knowingly make a false or deliberately misleading or incomplete disclosure to the committee or to the Alaska Public Offices Commission. **A person who files** [, OR FILE] a disclosure after a deadline set by this chapter or by a regulation adopted by

the committee or by the Alaska Public Offices Commission **has violated this chapter and may be subject to imposition of a fine as provided in (c) of this section or AS 24.60.240**.

* **Sec. 59.** AS 24.60.260 is amended by adding a new subsection to read:

(c) The committee may impose a fine on a person who files a disclosure after a deadline set by this chapter. The amount of the fine imposed under this subsection may not exceed $2 for each day to a maximum of $100 for each disclosure for a late disclosure. However, if the committee finds that a late filing was inadvertent, the maximum fine the committee may impose under this subsection is $25.

* **Sec. 60.** AS 24.60.990(a)(5) is amended to read:

(5) "immediate family" means

(A) the spouse **or spousal equivalent of the person; or**

(B) a parent, child [, PARENTS, CHILDREN], including a stepchild and an adoptive child, and **sibling** [SIBLINGS] of a person **if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial financial interest with the person**;

* **Sec. 61.** AS 24.60.990(a) is amended by adding new paragraphs to read:

(15) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage;

(16) "state office" includes the office of governor, lieutenant governor, member of the legislature, or similar state office;

(17) "upper-level employee" means a legislative employee, other than a legislator, who is compensated at Range 19 or above of the state salary schedule under AS 39.27.011.

* **Sec. 62.** AS 39.25.070 is amended to read:

Sec. 39.25.070. Powers and duties of personnel board. In addition to the other duties imposed by this chapter, the personnel board shall

(1) approve or disapprove amendments to the personnel rules in accordance with AS 39.25.140;

(2) consider and act upon recommendations for the extension of the partially exempt service and the classified service as provided in AS 39.25.130;

(3) hear and determine appeals by employees in the classified service as provided in AS 39.25.170;

(4) establish its own rules of procedure; two members constitute a quorum for the transaction of business and two affirmative votes are required for final action on matters acted upon by the board;

(5) elect a **chair** [CHAIRMAN] from its membership;

(6) have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to a hearing authorized by this chapter;

(7) employ staff members, who shall be in the classified service;

(8) **carry out its powers and duties under AS 39.52** [RETAIN INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c);

(9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS OF, HEARING OFFICERS IN ACCORDANCE WITH AS 39.52.350(c), 39.52.360, AND 39.52.370;

(10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 - 39.52.190; AND

(11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410, 39.52.440, AND 39.52.450].

* **Sec. 63.** AS 39.25.160(e) is amended to read:

(e) An employee in the classified, [OR] partially exempt, **or exempt** service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign **or take leave from** any position held in the state service. The employee's position becomes vacant on the date the employee files a declaration of candidacy for state or national elective office. **This subsection does not apply to**

(1) a justice, judges, magistrates, and employees of the judicial branch, including employees of the judicial council;

(2) the governor or the lieutenant governor;

(3) a member of the legislature;

(4) an employee seeking election as a delegate to a constitutional

convention;

(5) officers and employees of the University of Alaska;

(6) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;

(7) certificated teachers employed by the Department of Education as correspondence teachers, teachers in skill centers operated by the Department of Education, or teachers at Mt. Edgecumbe School;

(8) members of boards and commissions and authorities if the member is not entitled to compensation other than per diem and travel for service on the board, commission, or authority;

(9) emergency fire-fighting personnel employed by the Department of Natural Resources for a fire emergency or for fire prevention and related activities conducted under AS 41.15.030;

(10) youth employed by the Department of Natural Resources under the Youth Employment and Student Intern programs;

(11) students employed by the state institutions in which the students are enrolled;

(12) persons engaged in employment or pre-employment training programs operated by the Department of Military and Veterans' Affairs;

(13) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience.

* Sec. 64. AS 39.25.160 is amended by adding a new subsection to read:

(j) A state employee, whether in the classified, partially exempt, or exempt service, may not campaign on behalf of a political candidate on government time. This subsection does not prohibit the employees of the division of elections from carrying out duties related to elections or the members and employees of the commission on judicial conduct from carrying out duties relating to the evaluation of justices and judges. This subsection does not apply to the governor and lieutenant

governor and members of the legislature.

* **Sec. 65.** AS 39.50.020 is amended to read:

Sec. 39.50.020. Report of financial and business interests. (a) A **public official other than the governor or the lieutenant governor** [JUDICIAL OFFICER, COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A MUNICIPAL OFFICER] shall file a statement giving income sources and business interests, under oath and on penalty of perjury, within 30 days after taking office as a public official. Candidates for state elective office other than a candidate who is subject to AS 24.60 shall file **the** [SUCH A] statement with the director of elections at the time of filing a declaration of candidacy or a nominating petition [,] or [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for elective municipal office shall file **the** [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. Refusal or failure to fi'e within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that a previously accepted filing fee be returned and the candidate's name removed from the filing records. A statement shall also be filed by public officials no later than **March** [APRIL] 15 or 15 days after the person files a federal income tax return in each following year, whichever comes first. Persons who are members of boards or commissions not named in AS 39.50.200(b) are not required to file financial statements.

(b) **A public official other than an elected or appointed municipal officer** [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITH'N, A DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE

STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission. Candidates for the office of governor and lieutenant governor and, if the candidate is not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* **Sec. 66.** AS 39.50.030(a) is amended to read:

(a) Each statement **must** [SHALL] be an accurate representation of the financial affairs of the public official or candidate and **must** [SHALL] contain the same information for each member of the person's family, as specified in (b) **and (d)** of this section, to the extent that it is ascertainable by the public official or candidate. [AN ASSET OR LIABILITY UNDER $500, HOUSEHOLD GOODS, AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

* **Sec. 67.** AS 39.50.030(b) is amended to read:

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

(1) the source of all income over **$1,000** [$100] during the preceding calendar year, including taxable and nontaxable capital gains, received by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person**, except that a source of income that is a gift must be included if the value of the gift exceeds $250**;

(2) the identity, by name and address, of each business in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned in any business during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(4) the identity and nature of each interest in real property, including

an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(5) the identity of each trust or other fiduciary relation in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person held a beneficial interest **exceeding $1,000** during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee **of more than $1,000** made to the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person, the person's spouse or dependent child, or a nondependent child of the person who lives with that person owed **more than $1,000; this paragraph requires disclosure of a loan, loan guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than $1,000 at any time during the preceding calendar year** [$500 OR MORE];

(7) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, **a partnership or professional corporation of which the person is a member** [THE PERSON'S MOTHER OR FATHER], or a corporation in which the person or the person's spouse or children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar year by the person, the person's **spouse or** dependent child, a nondependent child of the person who is living with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse or children, or a combination of them, holds a

controlling interest.

* **Sec. 68.** AS 39.50.030 is amended by adding new subsections to read:

(d) In addition to the requirements of (b) of this section, each statement filed under this chapter by a public official in the executive branch of state government other than the chair or a member of a state commission or board must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed so that a reader can ascertain the nature of the association. A public official shall disclose a close economic association with

(1) a legislator;

(2) a public official who is not an elected or appointed municipal officer;

(3) a lobbyist; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If a public official required to disclose a close economic association under (d) of this section forms a close economic association after the date on which the public official files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the commission within 60 days after the formation of the association.

(f) When making a disclosure under (d) of this section concerning a relationship with a lobbyist to whom the public official is married or who is the public official's spousal equivalent, the public official shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The public official shall report changes in the employers of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received money, or goods or services having a monetary value, for engaging in lobbying on behalf of the person.

(g) In this section,

(1) "close economic association" means a financial relationship that

exists between a public official required to disclose a close economic association under (d) of this section and some other person or entity, including a relationship where the public official serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, business, or corporation;

(2) "lobbyist" has the meaning given in AS 24.60.990(a);

(3) "public officer" has the meaning given in AS 39.52.960;

(4) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage.

* **Sec. 69.** AS 39.50.070 is amended to read:

Sec. 39.50.070. Failure to report by <u>certain public officials</u> [DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS]. A **<u>public official</u>** [PERSON HIRED OR APPOINTED AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT] in the executive branch **<u>of state government, other than the governor or lieutenant governor or a chair or member of a state board or commission,</u>** who refuses or fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature for confirmation, until the person complies. The person may not be confirmed, hired, or appointed, and the person forfeits and may not be paid any salary, per diem, or travel expenses, until the person complies. If, after installation **<u>in office or beginning employment in the position</u>** [AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT], the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date of the report.

* **Sec. 70.** AS 39.50.200(a)(8) is amended to read:

(8) "public official" means

<u>(A)</u> a judicial officer**<u>;</u>**

<u>(B)</u> [,] the governor **<u>or</u>** [,] the lieutenant governor**<u>;</u>**

<u>(C)</u> [,] a person hired or appointed **<u>in</u>** [AS THE HEAD OR

DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION,] a department in the executive branch **as**

(i) the head or deputy head of the department;

(ii) the director or deputy director of a division;

(iii) a special assistant to the head of the department;

(iv) a person serving as the legislative liaison for the department;

(D) a person hired as [,] an **employee in the office of** [ASSISTANT TO] the governor **or the office of the lieutenant governor other than**

(i) a clerical, security, messenger, or maintenance employee, or other employee in the office of the governor or the office of the lieutenant governor whom the personnel board designates because the employee is not employed in an executive or professional capacity or as an administrator and does not exercise discretion over policy matters;

(ii) an employee of the State Commission for Human Rights, including the director;

(iii) an employee of the office of equal employment opportunity; however, the director of the office is a public official;

(iv) an employee of the division of elections; however, the director of the division is a public official;

(v) an employee of the Alaska Human Resource Investment Council, including the director;

(vi) an employee of the Alaska Human Relations Commission, including the director;

(E) the [,] chair or **a** member of a state commission or board**;**

(F) [,] state investment officers and the state comptroller in the Department of Revenue**;**

(G) [,] the executive director of the Alaska Tourism Marketing Council**;**

(H) the chief procurement officer appointed under AS 36.30.010; and

(I) [, AND] each appointed or elected municipal officer;

* **Sec. 71.** AS 39.52.010(a) is amended to read:

(a) It is declared that

(1) [THAT] high moral and ethical standards among public officers in the executive branch are essential to assure the trust, respect, and confidence of the people of this state; [TO THE CONDUCT OF FREE GOVERNMENT; AND]

(2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics for the guidance of public officers will

(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;

(B) [, WILL] improve standards of public service; and

(C) [, AND WILL] promote and strengthen the faith and confidence of the people of this state in their public officers;

(3) [. IT IS FURTHER DECLARED THAT] holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;

(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest;

(5) in order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered fairly without bias or favoritism;

(6) no code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

(7) compliance with a code of ethics is an individual responsibility; thus all who serve the state have a solemn responsibility to avoid improper

conduct and prevent improper behavior by colleagues and subordinates.

*** Sec. 72.** AS 39.52.120(b) is amended to read:

(b) A public officer may not

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

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate **or require another public officer to perform services for the private benefit of the public officer at any time;**

(6) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for partisan political purposes; this paragraph does not prohibit use of the governor's residence for meetings to discuss political strategy and does not prohibit use of the communications equipment in the governor's residence so long as there is no special charge to the state for the use; in this paragraph, "for partisan political purposes"

(A) means having the intent to differentially benefit or harm a

(i) candidate or potential candidate for elective office; or

(ii) political party or group;

(B) but does not include having the intent to benefit the public interest at large through the normal performance of official duties.

*** Sec. 73.** AS 39.52.120 is amended by adding a new subsection to read:

(d) In this section, when determining whether a public officer is considered to be performing a task on government time, the attorney general and personnel board shall consider the public officer's work schedule as set by the public officer's

immediate supervisor, if any. A public officer other than the governor and lieutenant governor who engages in political campaign activities other than incidental campaign activities as described in this subsection during the work day shall take approved leave for the period of campaigning.

*** Sec. 74.** AS 39.52.130(b) is amended to read:

(b) Notice of the receipt by a public officer of a gift with a value in excess of **$150** [$50], including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt

(1) if the public officer may take or withhold official action that affects the giver**; or**

(2) if the gift is connected to the public officer's governmental status.

*** Sec. 75.** AS 39.52.130 is amended by adding new subsections to read:

(e) A public officer who, on behalf of the state, accepts a gift from another government or from an official of another government shall, within 60 days after its receipt, notify the Office of the Governor in writing. The Office of the Governor shall determine the appropriate disposition of the gift. In this subsection, "another government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.

(f) A public officer who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the public office held by the public officer shall report the receipt of the gift by the family member to the public officer's designated supervisor if the gift would have to be reported under this section if it had been received by the public officer or if receipt of the gift by a public officer would be prohibited under this section.

*** Sec. 76.** AS 39.52.170 is amended by adding a new subsection to read:

(c) The head of a principal executive department of the state may not accept employment for compensation outside the agency that the executive head serves.

*** Sec. 77.** AS 39.52.180 is amended by adding a new subsection to read:

(d) A former governor, lieutenant governor, or head of a principal department

in the executive branch may not engage in activity as a lobbyist under AS 24.45 for a period of one year after leaving service as the governor, lieutenant governor, or department head, as appropriate. This subsection does not prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the Alaska Public Offices Commission.

* **Sec. 78.** AS 39.52.210(a) is amended to read:

(a) A public employee who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall

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

(2) immediately disclose the matter in writing to the designated supervisor **and the attorney general**.

* **Sec. 79.** AS 39.52.210(b) is amended to read:

(b) A public employee's designated supervisor shall make a written determination whether an employee's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the public employee and to the attorney general**. If the supervisor determines that a violation could exist or will occur, the supervisor shall,

(1) reassign duties to cure the employee's potential violation, if feasible; or

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

* **Sec. 80.** AS 39.52.220 is amended to read:

Sec. 39.52.220. Declaration of potential violations by members of boards or commissions. (a) A member of a board or commission who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall disclose the matter on the public record and in writing to the designated supervisor **and to the attorney general**. The supervisor shall determine whether the member's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the board or commission member and to the attorney general**. If a member of the board or commission objects to the ruling of the supervisor, or if

the supervisor discloses an involvement requiring a determination, the members present at a meeting, excluding the involved member, shall vote on the matter. If the supervisor or a majority of the members voting determine that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter.

(b) The **member of a board or commission, the** designated supervisor, or the board or commission may request guidance from the attorney general, in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 81.** AS 39.52.230 is amended to read:

Sec. 39.52.230. Reporting of potential violations. A person may report to a public officer's designated supervisor, under oath and in writing, a potential violation of AS 39.52.110 - 39.52.190 by the public officer. The supervisor shall provide a copy of the report to the officer who is the subject of the report **and to the attorney general**, and shall review the report to determine whether a violation may exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor determines that the matter may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 82.** AS 39.52.240(c) is amended to read:

(c) **In the case of a request for advice from a designated supervisor or a board or commission, the** [THE] designated supervisor or **the** [A] board or commission shall make a written determination based on the advice of the attorney general. If the advice [OF THE ATTORNEY GENERAL] provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 - 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

* **Sec. 83.** AS 39.52.260 is amended by adding a new subsection to read:

(d) The attorney general shall submit to the personnel board a copy of the quarterly reports received from designated supervisors under (a) of this section together with a report on the attorney general's review conducted under (b) of this section.

* **Sec. 84.** AS 39.52 is amended by adding a new section to article 3 to read:

Sec. 39.52.270. Disclosure statements. (a) A public officer required to file a disclosure statement under this chapter shall meet the requirements of this subsection in making the disclosure. When the public officer files a disclosure statement under this chapter, the public officer signing the disclosure shall certify that, to the best of the public officer's knowledge, the statement is true, correct, and complete. The disclosure must state that, in addition to any other penalty or punishment that may apply, a person who submits a false statement that the person does not believe to be true is punishable under AS 11.56.200 - 11.56.240.

(b) A designated supervisor who receives a disclosure statement under AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that there is a possibility that the activity or situation reported in a disclosure statement filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240. Failure of the designated supervisor to proceed under AS 39.52.210 - 39.52.240 does not relieve the public officer of the public officer's obligations under those statutes.

(c) In this section, "disclosure statement" means a report or written notice filed under AS 39.52.110 - 39.52.220.

* **Sec. 85.** AS 39.52.310(a) is amended to read:

(a) The attorney general may initiate a complaint or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or 39.52.260. **The attorney general may not, during a campaign period, initiate a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office.**

* **Sec. 86.** AS 39.52.310(c) is amended to read:

(c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the governor, lieutenant governor, or the attorney general, the matter shall be referred to the personnel board. **The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office as provided in (j) of this section if the complaint is initiated during a campaign period.** The personnel board shall retain independent counsel who shall act in the place of the attorney general under (d) - (i) of this section, AS 39.52.320 -

39.52.350, and 39.52.360(c) and (d). **Notwithstanding AS 36.30.015(d), the personnel board may contract for or hire independent counsel under this subsection without notifying or securing the approval of the Department of Law.**

*** Sec. 87.** AS 39.52.310 is amended by adding new subsections to read:

(j) The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for state office received during a campaign period to the complainant unless the governor or lieutenant governor, as appropriate, permits the personnel board to assume jurisdiction under this subsection. If the personnel board receives a complaint concerning the conduct of the governor or lieutenant governor who is a candidate during the campaign period, the personnel board shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the personnel board's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the personnel board mails or otherwise sends notice of the complaint to the candidate, notify the personnel board that the candidate chooses to have the personnel board proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the personnel board that the candidate is not waiving the suspension of jurisdiction, the personnel board shall return the complaint to the complainant with notice of the susp sion of jurisdiction under this subsection and of the right of the complainant to e the complaint after the end of the campaign period.

(k) A campaign period under this section begins on the later of 45 days before a primary election in which the governor or lieutenant governor is a candidate for state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified.

*** Sec. 88.** AS 39.52 is amended by adding a new section to read:

Sec. 39.52.335. Summary of disposition of complaints and review by

personnel board. (a) When the attorney general initiates or receives a complaint under AS 39.52.310, the attorney general shall immediately forward a copy of the complaint to the personnel board.

(b) Each month, the attorney general shall file a report with the personnel board concerning the status of each pending complaint and the resolution of complaints that have been closed since the previous report.

(c) If a complaint is dismissed under AS 39.52.320 or resolved under AS 39.52.330, the attorney general shall promptly prepare a summary of the matter and provide a copy of the summary to the personnel board and the complainant. The summary is confidential unless the

(1) attorney general designates that it is a public document; or

(2) personnel board makes the matter public under (f) of this section.

(d) Within 15 days after receipt of a summary under this section, a complainant may file comments with the personnel board regarding the disposition of the complaint.

(e) At its next regular meeting that begins more than 15 days after receipt of a summary under this section, the personnel board shall review the summary and comments, if any, filed by the complainant. The personnel board may compel the attendance of the subject of the complaint or the complainant at the meeting and may compel the production of documents. Attendance may be by teleconference. The attorney general or the attorney general's designee shall be available to respond to questions from the personnel board concerning the disposition of the complaint.

(f) After review of the summary, the personnel board may issue a report on the disposition of the complaint. If the personnel board finds that a dismissal or resolution of a complaint clearly was contrary to the requirements of this chapter, the board may notify the subject of the complaint that the board intends to make the complaint, the disposition by the attorney general, and the board's findings public. The subject of the complaint may request a hearing before the board within 15 days after the board notifies the subject of its intention to make the matter public to request the board to reconsider its decision. If the subject requests a hearing, the board may not make the matter public until after the hearing to reconsider its decision.

(g) If the summary is confidential under (c) of this section, then, unless the personnel board determines that the matter should be made public under (f) of this section,

(1) comments filed by the complainant, if any, are confidential;

(2) the personnel board shall conduct the review of the summary in executive session; and

(3) the personnel board report declining to make the matter public, if any, is confidential; the personnel board shall make available to the public an expurgated copy of a confidential report with sufficient deletions and editing to prevent disclosure of the identity of the persons involved in the matter.

* **Sec. 89.** AS 39.52.340(a) is amended to read:

(a) **Except as provided in AS 39.52.335, before** [BEFORE] the initiation of formal proceedings under AS 39.52.350, **the complaint and all other documents and** information regarding an investigation conducted under this chapter [,] or obtained by the attorney general during the investigation **are** [, IS] confidential **and not subject to inspection by the public. In the case of a complaint concerning the governor, lieutenant governor, or attorney general, all meetings of the personnel board concerning the complaint and investigation before the determination of probable cause are closed to the public. If, in the course of an investigation or probable cause determination, the attorney general finds evidence of probable criminal activity, the attorney general shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the attorney general finds evidence of a probable violation of AS 15.13, the attorney general shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission**. The attorney general and all persons contacted during the course of an investigation shall maintain confidentiality regarding the existence of the investigation. [A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS A MISDEMEANOR.]

* **Sec. 90.** AS 39.52.950 is amended to read:

Sec. 39.52.950. Regulations. The attorney general may adopt regulations under **AS 44.62 (** [THE] Administrative Procedure Act) necessary to interpret and

implement this chapter. **The personnel board may adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to interpret and implement its duties under this chapter.**

*** Sec. 91.** AS 39.52.960(11) is amended to read:

(11) "immediate family member" means

(A) the spouse of the person;

(B) another person cohabiting with the person in a conjugal relationship that is not a legal marriage;

(C) a child, including a stepchild and an adoptive child, of the person;

(D) a parent, sibling, grandparent, aunt, or uncle of the person; and

(E) a parent, sibling, grandparent, aunt, or uncle of the person's spouse [A PUBLIC OFFICER'S SPOUSE, A RELATION BY BLOOD WITHIN AND INCLUDING THE SECOND DEGREE OF KINDRED, AND A REGULAR MEMBER OF THE OFFICER'S HOUSEHOLD];

*** Sec. 92.** AS 24.60.990(a)(9) is repealed.

*** Sec. 93.** PROVISIONS MADE SPECIFICALLY APPLICABLE TO INCUMBENT LEGISLATORS. Notwithstanding any other provision of AS 15.13, the provisions of AS 15.13.116(d), added by sec. 5 of this Act, apply to authorize a legislator holding office in the legislature during the First Regular Session of the Twentieth Alaska State Legislature who, under sec. 32, ch. 48, SLA 1996, retains unused campaign contributions in the candidate's election campaign account, to transfer to a public office expense te-m account as permitted under AS 15.13.116(d), enacted by sec. 5 of this Act. All amounts expended under this section shall be annually accounted for under AS 15.13.110(a)(4).

*** Sec. 94.** Sections 4, 5, and 93 of this Act are retroactive to December 31, 1996.

*** Sec. 95.** Sections 1, 2, 4, 5, 93, and 94 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 96.** Sections 3 and 6 - 92 of this Act take effect January 1, 1999.

AMENDMENT

Passed

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "P"

Page 27, line 28, following ".":

Insert "**The committee shall treat a complaint concerning the conduct of a candidate for election to state office that is pending at the beginning of a campaign period in accordance with (p) of this section.**"

Page 31, line 6:

Delete "a new subsection"

Insert "new subsections"

Page 31, line 21, following ".":

Insert

"(p) When the committee has a complaint concerning the conduct of a candidate for state office pending before it at the beginning of a campaign period that has not resulted in the issuance of formal charges under (h) of this section, the committee may proceed with its consideration of the complaint only to the extent that the committee's actions are confidential under this section. The committee may not, during a campaign period, issue a dismissal order or decision under (f) of this section, issue an opinion under (g) of this section, or formally charge a person under (h) of this section. If the committee has formally charged a person under (h) of this section and the charge is still pending when a campaign period begins, the committee shall suspend any public hearings on the matter until after the campaign period ends. The parties to the hearing may continue with discovery during the campaign period. If a hearing has been completed before the beginning of a campaign period but the committee has not yet issued its decision, the committee may not issue the decision until after the end of the campaign period. Notwithstanding the suspension of public

proceedings provided for in this subsection, a candidate who is the subject of a complaint may notify the committee in writing that the candidate chooses to have the committee proceed with the complaint under this section.

(q)"

Page 31, line 22:

Delete "subsection"

Insert "section"

0-LS0074\P.2
Cramer
4/13/98

Hold: Will work on Have to define fund raising event"

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "P"

Page 15, following line 31:

Insert a new bill section to read:

"* **Sec. 17.** AS 24.60.031 is amended by adding a new subsection to read:

(c) A legislator may not travel at state expense to a place in which the legislator plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit a legislator from holding a campaign fund raising event in a place to which the legislator traveled at state expense if the

(1) travel to the place is completed at least 48 hours before the event was scheduled to begin;

(2) legislator made a trip at state expense to a place, returned from that place, and then, within 48 hours, made a second trip to the place and the cost of the second trip was not paid for at state expense; or

(3) travel was to the capital city immediately before the beginning of a legislative session or from the capital city to the legislator's home immediately after the final adjournment of a regular or special legislative session."

Renumber the following bill sections accordingly.

Page 47, line 28:

Delete "a new subsection"

Insert "new subsections"

(Withdrawn)

Page 47, following line 28:

Insert a new subsection to read:

"(d) Except for travel to the capital city, the governor or the lieutenant governor may not travel at state expense to a place in which the official plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit the governor or the lieutenant governor from holding a campaign fund raising event in a place to which the official traveled at state expense if the

(1) travel to the place is completed at least 48 hours before the event was scheduled to begin;

(2) official made a trip at state expense to a place, returned from that place, and then, within 48 hours, made a second trip to the place and the cost of the second trip was not paid for at state expense."

Reletter the following subsection accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 55, line 21

Page 55, line 25

Page 55, line 27

Page 55, line 28

Page 55, line 30

Passed

0-LS0074\P.3
Cramer
4/15/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "P"

Page 10, line 23:

Delete "nongovernmental"

Insert "**nonlegislative** [NONGOVERNMENTAL]"

Page 11, line 5:

Delete "**nongovernmental**"

Insert "***nonlegislative***"

Page 11, line 31:

Delete "nongovernmental"

Insert "**nonlegislative** [NONGOVERNMENTAL]"

Page 12, line 8:

Delete "**nongovernmental**"

Insert "**nonlegislative**"

Page 13, line 25, through page 14, line 29:

Delete all material and insert a new bill section to read:

"* **Sec. 14.** AS 24.60.030(g) is amended to read:

(g) Unless required by the Uniform Rules of the Alaska State Legislature, a legislator [OR LEGISLATIVE EMPLOYEE] may not **vote on a question** [PARTICIPATE IN LEGISLATIVE, ADMINISTRATIVE, OR POLITICAL ACTION] if the legislator [OR LEGISLATIVE EMPLOYEE] has an equity or ownership interest in a business, investment, real property, lease, or other enterprise if the interest is substantial and the effect of the action on that interest is greater than

the effect on a substantial class of persons to which the legislator [OR LEGISLATIVE EMPLOYEE] belongs as a member of a profession, occupation, industry, or region."

Page 14, line 31, through page 15, line 2:

Delete "In this section, when determining whether an employee is considered to be performing a task on government time, the committee shall consider the employee's work schedule as set by the employee's immediate supervisor."

Page 15, lines 3 - 4:

Delete "as described in this subsection"

Page 21, lines 14 - 19:

Delete all material.

Reletter the following subsections accordingly.

Page 22, lines 2 - 3:

Delete "This subsection does not permit a legislator or legislative employee to accept a gift of services for nonlegislative purposes."

Page 23, line 26:

Delete all material.

Renumber the following paragraph accordingly.

0-LS0074\KA.45
Cramer
2/16/98

Failed 3-2 P.4

AMENDMENT

by Bakowitz

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 33, following line 31:

Insert a new bill section to read:

"* **Sec. 60.** AS 24.60 is amended by adding new sections to read:

Article 4A. Open Meetings Requirements.

Sec. 24.60.300. Right of members of the general public to attend meetings of a legislative body. (a) A member of the general public may attend a meeting of a legislative body unless a portion of the meeting is closed to the public under (b) of this section or unless the meeting is a closed meeting of a caucus or of another legislative body as described in AS 24.60.340.

(b) A portion of a meeting of a legislative body may be closed to the public for an executive session or to discuss political strategy. If a portion of a meeting is to be held in executive session, the legislative body shall first convene in open session and then move to go into executive session. During the executive session, members of the legislative body may only discuss topics included in the motion to go into the executive session. A legislative body may not take action in executive session unless a statute specifically provides that the entire proceeding held in executive session is to be kept confidential. At an executive session, the following subjects may be considered:

(1) matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the state;

(2) subjects that tend to prejudice the reputation and character of any person; however, the person may request a public discussion;

(3) matters that are by law required to be confidential;

(4) pending litigation if the meeting is with an attorney with whom the attorney-client privilege applies;

(5) matters involving consideration of government records that by law are not subject to public disclosure.

Sec. 24.60.310. Meetings of a house of the legislature. (a) If a house of the legislature plans to meet, the chief clerk or senate secretary shall post notice of the meeting on the door of the legislative chamber during the preceding legislative day, and the meeting must be announced during the previous floor session.

(b) A calendar for a session of a house of the legislature may be changed without additional notice if two-thirds of the members present approve a change to the calendar or the adoption of a supplemental calendar.

(c) At a floor session, the galleries of the chambers must be available to the public, and copies of bills on the calendar must be available in advance. The voices of speakers shall be amplified and a recording of the session made.

Sec. 24.60.320. Meetings of committees and subcommittees. (a) Written notice of the time, place, and subject matter of all meetings of standing, special, joint, permanent interim, or conference committees or task forces during a week shall be provided by the person who chairs the committee to the chief clerk or senate secretary by 4:00 p.m. on the preceding Thursday. The person who chairs the committee to which a bill is first referred shall provide to the chief clerk or senate secretary written notice of the time and place of the first public hearing on the bill at least five days before the hearing. The committee chair shall give supplemental notice at least 24 hours before the committee continues consideration of a bill previously heard in the committee. If a bill has been referred to a subcommittee, the subcommittee shall give notice of a subcommittee meeting on the bill at least 24 hours before the subcommittee meets. Notice concerning a bill under this subsection must include the bill number and title. If a bill has not yet been referred to the committee, the notice shall also state that the hearing is scheduled pending referral of the bill.

(b) The chief clerk or senate secretary shall publish and distribute the weekly schedule of meetings and hearings for which notice has been received. Copies of the schedule shall be available to the public in the capitol and in the legislative information offices. Notice of changes to the schedule shall be made available promptly and in the same way.

(c) A scheduled meeting of a committee or subcommittee may be cancelled

at any time. If possible, notice of the cancellation shall be given in the same manner as provided for notice of change in (b) of this section.

(d) The provisions of (a) and (b) of this section do not apply to a committee or subcommittee meeting scheduled after the date a conference committee has been chosen to consider amendments to or differences between versions of the general appropriations Act. However, a person who chairs a committee shall post written notice of the time, place, and subject matter of a meeting at least 12 hours before the meeting.

(e) The provisions of (a) - (d) of this section do not apply to meetings of

(1) the Rules Committee when it meets for the purpose of preparing the daily calendar; or

(2) the Committee on Committees.

(f) During a special session, notice of a committee meeting is sufficient if it meets the requirements of (d) of this section.

(g) At a meeting, the committee or subcommittee shall provide appropriate seating for members of the public and an appropriate number of copies of the committee materials being discussed. The committee or subcommittee is not required to provide copies of materials supplied by witnesses who testify before the body. The voices of speakers shall be amplified. A committee shall record its proceedings. A subcommittee is not required to record its proceedings.

(h) If a meeting is held at a number of sites through use of a teleconferencing system, then each teleconference site must meet the requirements of (g) of this section. The meeting must be conducted in a manner that, periodically throughout the meeting, enables listeners or observers at each teleconference site to identify the legislators who are present.

Sec. 24.60.330. Caucus meetings. (a) A caucus meeting is open to the public unless it is a meeting called for the sole purpose of discussing political strategy. A caucus meeting may go into an executive session if permitted under AS 24.60.300(b). If the meeting is called for the sole purpose of discussing political strategy, notice does not have to be given, and the meeting is not open to the public.

(b) At a caucus meeting or portion of a caucus meeting held to discuss political strategy, the caucus may not make decisions on substantive issues and

may only discuss substantive issues in the context of political strategy.

(c) Written notice of a caucus meeting, other than a caucus meeting called for the sole purpose of discussing political strategy, must be given to the chief clerk and senate secretary at least 24 hours before the meeting. Notice must contain the time and place of the meeting.

(d) At a caucus meeting that is open to the public, adequate seating must be provided for the public, and the voices of witnesses and legislators must be amplified to the extent necessary for the public to hear the speaker. If a meeting is held at a number of sites through use of a teleconferencing system, then each teleconference site must meet the requirements of this subsection. The meeting must be conducted in a manner that, periodically throughout the meeting, enables listeners or observers at each teleconference site to identify the legislators who are present.

Sec. 24.60.340. Meetings not otherwise described. (a) A member of the general public may attend a meeting of legislators meeting on legislative business that is not subject to AS 24.60.310 - 24.60.330 unless a portion of the meeting is closed to the public under AS 24.60.300(b) or unless the meeting is a closed meeting of a caucus or of another legislative body as described in AS 24.60.300 - 24.60.390.

(b) A legislative group meeting under this section shall give as much notice of the meeting as is practical.

(c) A group of legislators who do not constitute a quorum of a committee or subcommittee that is considering the legislative business that is the topic of the meeting may meet under this section so long as the group does not set priorities for legislative issues, formulate positions on legislative issues, or take legislative action.

(d) A number of legislators at a gathering, on a trip, or attending a meeting arranged by another organization or entity who are attending the event to present information relating to legislative issues may meet under this section so long as they do not, as a group, set priorities for legislative issues, formulate positions on legislative issues, or take legislative action while attending the event.

(e) At a meeting held under this section, the legislative body shall provide appropriate seating for members of the public.

Sec. 24.60.350. Exceptions. (a) Two legislators, even if they constitute a quorum of a legislative body, may speak together in private.

(b) Three legislators, so long as they do not constitute a quorum of a legislative body, may speak together in private. If three legislators constitute a quorum of a legislative body, they may speak together in private, but they may not discuss the business of the legislative body on which they constitute a quorum.

(c) Any number of legislators may speak together in the Legislative Lounge, but they may not, as a group, set priorities for legislative issues, formulate positions on legislative issues, or take legislative action.

(d) Any number of legislators may speak together about matters that are not legislative business.

(e) Conversations between legislators, even on legislative business, that occur under the auspices of a nonlegislative organization at a nonlegislative event are permitted under AS 24.60.300 - 24.60.390 so long as the legislators do not use the occasion to set priorities for legislative issues, formulate positions on legislative issues, or take legislative action. Public access may not be purposefully denied. For purposes of this subsection, a nonlegislative organization is an organization that is not affiliated with the Legislature of the State of Alaska. An agency of the executive or judicial branch of state government is considered to be a nonlegislative organization, as are private, nonprofit, and professional organizations.

Sec. 24.60.360. Serial meetings prohibited. (a) Legislators may not hold a series of meetings that are excepted from the requirement that meetings be open under AS 24.60.300 - 24.60.350 for the purpose of evading the principles of open meetings.

(b) Notwithstanding (a) of this section, it is not a violation of AS 24.60.300 - 24.60.390 for legislators to hold sequential individual meetings among themselves for the purpose of evaluating support for a bill before floor action even though the notice and public access requirements of AS 24.60.300 - 24.60.390 were not met.

(c) AS 24.60.300 - 24.60.390 may not be interpreted to preclude a legislator from asking one or more legislators, individually, about the legislator's opinion or concerns on a particular issue or bill.

Sec. 24.60.370. Political strategy sessions. The public may be excluded from the portion of a meeting in which only political strategy is discussed. Discussions of political strategy may include the organization of a house of the legislature, committee

memberships, the scheduling of bills, vehicles for adoption, relations between the legislative houses, and similar matters. A legislative body may not make a decision on a substantive issue in a political strategy session and may only discuss a substantive issue at a political strategy session if the discussion occurs in the context of political strategy.

Sec. 24.60.390. Definitions. In AS 24.60.300 - 24.60.390,

(1) "committee" includes a standing, special, joint, permanent interim, or conference committee;

(2) "legislative body" includes a house of the legislature, a committee, a subcommittee, a task force, or another group of legislators as described in AS 24.60.340."

Renumber the following bill sections accordingly.

Page 59, following line 19:

Insert a new bill section to read:

"* **Sec. 113.** AS 24.60.037 and sec. 10, ch. 69, SLA 1994, are repealed."

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 59, line 21
Page 59, line 28
Page 60, line 1
Page 60, line 3
Page 60, line 4
Page 60, line 6

0-LS0074\P 5
Cramer
4/17/98

Passed

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "P"

Page 21, line 5, following "**equivalent**":

Insert ":"

Page 21, lines 7 - 9:

Delete "AND ALSO INCLUDES A PERSON DESCRIBED IN THIS SUBSECTION OR AS 24.60.990(a)(5) WHO IS RELATED TO THE PERSON BY MARRIAGE]"

Insert "] and

(6) [ALSO INCLUDES] a person described in this subsection [OR AS 24.60.990(a)(5)] who is related to the person by marriage**, including step relationships**"

Passed

0-LS0074\P 6
Cramer
4/17/98

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "P"

Page 48, line 3:

Delete "as described in this subsection"

Page 49, line 23:

Delete "AS 39.52.220"

Insert "AS 39.52.220(a)"

Page 49, line 24:

Delete "**Sec. 39.52.220. Declaration of potential violations by members of boards or commissions.**"

Page 50, lines 6 - 9:

Delete all material.

Page 50, lines 18 - 26:

Delete all material.

Renumber the following bill sections accordingly.

Page 52, following line 29:

Insert a new bill section to read:

"* **Sec. 87.** AS 39.52.320 is amended to read:

Sec. 39.52.320. Dismissal before formal proceedings. If, after investigation, it appears that there is no probable cause to believe that a violation of this chapter has occurred, the attorney general shall dismiss the complaint [AND PREPARE AND

FILE A CONFIDENTIAL SUMMARY WITH THE PERSONNEL BOARD]. The attorney general shall communicate disposition of the matter promptly to the complainant **under AS 39.52.335(c)** and to the subject of the complaint."

Renumber the following bill sections accordingly.

Page 53, lines 11 - 12:

Delete all material and insert:

"(1) dismissal or resolution agreed to under AS 39.52.320 or 39.52.330 is public; or

(2) superior court makes the matter public under (h) of this section"

Page 53, lines 23 - 31:

Delete all material and insert:

"(f) After review of the summary, the personnel board may issue a report on the disposition of the complaint. If the matter is confidential and the board determines that publication of the name of the subject is in the public interest, the report may include a recommendation that the matter be made public."

Page 54, lines 1 - 3:

Delete "then, unless the personnel board determines that the matter should be made public under (f) of this section,"

Page 54, line 7:

Delete "declining to make the matter public"

Page 54, following line 10:

Insert a new subsection to read:

"(h) If the disposition of a complaint is not made public and the personnel board report under (f) of this section includes a recommendation that the matter be made public, an interested party may file an action against the state in superior court requesting that the court make public the complaint, the attorney general's disposition

of the complaint, and the personnel board report. The court may order the matter or portions of the matter made public if the court determines that

(1) the dismissal or resolution of the complaint was clearly contrary to the requirements of this chapter;

(2) one or more of the allegations in the information to be released is supported by substantial evidence;

(3) the matter concerns the public interest; and

(4) release of the information will not infringe on any protected rights or liberties of the subject."

Page 54, line 29, through page 55, line 3:

Delete all material.

Renumber the following bill sections accordingly.

Page 55, line 13:

Delete "**a parent, sibling, grandparent, aunt, or uncle of the person's spouse**"

Insert "**a parent or sibling of the person's spouse**"

Failed!

0-LS0074\P.6 8
Cramer
4/17/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "P"

Page 14, line 30:

Delete "a new subsection"

Insert "new subsections"

Page 15, following line 7:

Insert a new subsection to read:

"(i) A legislative employee may not directly, or by authorizing another to act on the employee's behalf,

(1) seek to induce or induce a person to provide or not provide a political contribution, donate or not donate to a cause identified by the legislative employee, or provide or not provide a thing of value by stating or implying that, based on the person's decision about contributing, donating, or providing value, the legislative employee will seek to persuade or will cause a legislator to

(A) take or withhold a legislative, administrative, or political action, including support or opposition to a bill, employment, nominations, and appointment; or

(B) perform or refrain from performing a lawful constituent service; or

(2) unless required by the Uniform Rules of the Alaska State Legislature, take or withhold official action or exert official influence that could substantially benefit or harm the financial interest of another person with whom the legislative employee is negotiating for employment."

Passed

0-LS0074\P.7
Cramer
4/17/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "P"

Page 15, following line 31:

Insert a new bill section to read:

"* **Sec. 17.** AS 24.60.031 is amended by adding new subsections to read:

(c) A legislator may not travel at state expense to a place in which the legislator plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit a legislator from holding a campaign fund raising event in a place to which the legislator traveled at state expense if the

(1) travel to the place is completed at least 48 hours before the event was scheduled to begin;

(2) legislator made a trip at state expense to a place, returned from that place, and then, within 48 hours, made a second trip to the place and the cost of the second trip was not paid for at state expense; or

(3) travel was to the capital city immediately before the beginning of a legislative session or from the capital city to the legislator's home immediately after the final adjournment of a regular or special legislative session.

(d) In (c) of this section, an event is considered to be a campaign fund raising event only if the legislator, or another person acting on behalf of the legislator with the legislator's express or implied permission,

(1) asks for contributions for the legislator's campaign at the event;

(2) announces that the legislator will accept contributions for the legislator's campaign at the event; or

(3) otherwise uses the event in a manner that clearly demonstrates that a primary purpose of the event is to raise contributions for the legislator's campaign;

the fact that a legislator received campaign contributions at an event is insufficient,

without other evidence, to satisfy the proof required by this paragraph."

Renumber the following bill sections accordingly.

Page 47, line 28:

Delete "a new subsection"

Insert "new subsections"

Page 47, following line 28:

Insert a new subsection to read:

"(d) Except for travel to the capital city, the governor or the lieutenant governor may not travel at state expense to a place in which the official plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit the governor or the lieutenant governor from holding a campaign fund raising event in a place to which the official traveled at state expense if the

(1) travel to the place is completed at least 48 hours before the event was scheduled to begin;

(2) official made a trip at state expense to a place, returned from that place, and then, within 48 hours, made a second trip to the place and the cost of the second trip was not paid for at state expense.

(e) In (d) of this section, an event is considered to be a campaign fund raising event only if the governor or lieutenant governor, or another person acting on behalf of the governor or lieutenant governor with the express or implied permission of the governor or lieutenant governor,

(1) asks for contributions for the governor's or lieutenant governor's campaign at the event;

(2) announces that the governor or lieutenant governor will accept contributions for the campaign at the event; or

(3) otherwise uses the event in a manner that clearly demonstrates that a primary purpose of the event is to raise contributions for the governor's or lieutenant governor's campaign; the fact that the governor or lieutenant governor

received campaign contributions at an event is insufficient, without other evidence, to satisfy the proof required by this paragraph."

Reletter the following subsection accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 55, line 21

Page 55, line 25

Page 55, line 27

Page 55, line 28

Page 55, line 30

p. 38 line #P-10
23
take out
"on take came
from"

Passed

0-LS0074\L
Cramer
4/2/98

HOUSE CS FOR CS FOR SENATE BILL NO. 105( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE SELECT COMMITTEE ON LEGISLATIVE ETHICS

A BILL

FOR AN ACT ENTITLED

"An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state or municipal office; relating to the conduct and regulation of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

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

*** Section 1.** AS 15.13.060(c) is amended to read:

(c) Each candidate for state office **or for retention as a justice or judge** shall file the name and address of the campaign treasurer with the commission, or submit, in writing, the name and address of the campaign treasurer to the director for filing with the commission, no later than 15 days after the date of filing the declaration of candidacy or the nominating petition. Each candidate for municipal office shall file

the name and address of the campaign treasurer with the commission no later than seven days after the date of filing the declaration of candidacy or the nominating petition. If the candidate does not designate a campaign treasurer, the candidate is the campaign treasurer.

*** Sec. 2.** AS 15.13.072(d) is amended to read:

(d) A candidate **for state office** or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 **for election to state office** may not solicit or accept a contribution if the legislature is convened in a regular or special legislative session. **The** [, AND THE] candidate or individual **may, however, solicit and accept contributions during the 90 days immediately preceding an election in which the candidate or individual is a candidate even if the legislature is in session** [IS A MEMBER OF THE LEGISLATURE, OR EMPLOYED AS A MEMBER OF THE LEGISLATOR'S STAFF OR AS A MEMBER OF THE STAFF OF A LEGISLATIVE COMMITTEE].

*** Sec. 3.** AS 15.13.074(c) is amended to read:

(c) A person or group may not make a contribution

(1) [TO A CANDIDATE FOR GOVERNOR OR LIEUTENANT GOVERNOR OR AN INDIVIDUAL WHO FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THAT INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100 FOR GOVERNOR OR LIEUTENANT GOVERNOR, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION, BEFORE THE LATER OF THE FOLLOWING DATES:

(A) THE DATE THE INDIVIDUAL

(i) BECOMES A CANDIDATE; OR

(ii) FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THE INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100; OR

(B) JANUARY 1 OF THE YEAR OF THE GENERAL

ELECTION;

(2)] to a candidate for **state office** [THE STATE LEGISLATURE] or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for **state office** [THE STATE LEGISLATURE, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION,] while the legislature is convened in **a** [ITS] regular **or special** legislative session**, except as provided in (i) of this section, or** [AND] before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) **June** [JANUARY] 1 of the year **before the year** of the general election;

(2) [(3)] to a candidate or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for an office that is to be filled at a [SPECIAL ELECTION OR] municipal election before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100;

(B) is nine months before the date of the general or regular municipal election [OR THAT IS BEFORE THE DATE OF THE PROCLAMATION OF THE SPECIAL ELECTION] at which the candidate or individual seeks election to public office; or

(3) [(4)] to any candidate later than the 45th day

(A) after the date of a primary election if the candidate

(i) has been nominated at the primary election or is

running as a write-in candidate; and

(ii) is not opposed at the general election;

(B) after the date of the primary election if the candidate was not nominated at the primary election; or

(C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the candidate was opposed at the general, municipal, or municipal runoff election.

* **Sec. 4.** AS 15.13.074(h) is amended to read:

(h) Notwithstanding AS 15.13.070, a candidate for governor or lieutenant governor and a group that is not a political party and that, under the definition of the term "group," is presumed to be controlled by a candidate for governor or lieutenant governor, may not make a contribution to a candidate for another office, to a person who conducts a write-in campaign as a candidate for other office, or to another group of amounts [RECEIVED BY] that **the** candidate or controlled group **received** as contributions between **June 1 of the year preceding the year in which there is a general election for governor and lieutenant governor** [JANUARY 1] and the date of the general election [OF THE YEAR OF A GENERAL ELECTION FOR AN ELECTION] for governor and lieutenant governor. This subsection does not prohibit

(1) the group described in this subsection from making contributions to the candidates for governor and lieutenant governor whom the group supports; or

(2) the governor or lieutenant governor, or the group described in this subsection, from making contributions under AS 15.13.116(a)(3)(A).

* **Sec. 5.** AS 15.13.074 is amended by adding a new subsection to read:

(i) Notwithstanding the prohibition against making a contribution to a candidate while the legislature is convened in a regular or special session under (c) of this section, a person or group may make a contribution to a candidate for state office during a regular or special session if the contribution is otherwise permitted under (c) of this section and if the contribution is made during the 90 days immediately preceding an election in which the candidate or individual is a candidate.

* **Sec. 6.** AS 15.13.110(a) is amended to read:

(a) Each candidate and group shall make a full report in accordance with

AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 10 days after the election; and

(4) February 15 for expenditures made and contributions received that were not reported during the previous year, including, if applicable, all amounts expended from a **public** [LEGISLATIVE] office **expense term** account established under AS 15.13.116(a)(9) and all amounts expended from a municipal office account under AS 15.13.116(a)(10), or when expenditures were not made or contributions were not received during the previous year.

*** Sec. 7.** AS 15.13.116(a) is amended to read:

(a) A candidate who, after the date of the general, special, municipal, or municipal runoff election or after the date the candidate withdraws as a candidate, whichever comes first, holds unused campaign contributions shall distribute the amount held within 90 days. The distribution may only be made to

(1) pay bills incurred for expenditures reasonably related to the campaign and the winding up of the affairs of the campaign, and to pay expenditures associated with post-election fund raising that may be needed to raise funds to pay off campaign debts;

(2) pay for a victory or a thank you party costing less than $500, or to give a thank you gift of a value of less than $50 to a campaign employee or volunteer;

(3) make donations, without condition, to

(A) a political party;

(B) the state's general fund;

(C) a municipality of the state; or

(D) the federal government;

(4) make donations, without condition, to organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not controlled by the candidate or a member of the candidate's immediate family;

(5) repay loans from the candidate to the candidate's own campaign under AS 15.13.078(b);

(6) repay contributions to contributors, but only if repayment of the contribution is made pro rata in approximate proportion to the contributions made using one of the following, as the candidate determines:

(A) to all contributors;

(B) to contributors who have contributed most recently; or

(C) to contributors who have made larger contributions;

(7) establish a fund for, and from that fund to pay, attorney fees or costs incurred in the prosecution or defense of an administrative or civil judicial action that directly concerns a challenge to the victory or defeat of the candidate in the election;

(8) transfer all or a portion of the unused campaign contributions to an account for a future election campaign; a transfer under this paragraph is limited to

(A) $50,000, if the transfer is made by a candidate for governor or lieutenant governor;

(B) $10,000, if the transfer is made by a candidate for the state senate;

(C) $5,000, if the transfer is made by a candidate for the state house of representatives; and

(D) $5,000, if the transfer is made by a candidate for an office not described in (A) - (C) of this paragraph;

(9) transfer all or a portion of the unused campaign contributions to a **public** [LEGISLATIVE] office **expense term** account **or to a public office expense term account reserve in accordance with (d) of this section**; a transfer under this

paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to the state legislature;

(B) the **public** [LEGISLATIVE] office **expense term** account established under this paragraph may be used only for expenses associated with the candidate's serving as a member of the legislature;

(C) all amounts expended from the **public** [LEGISLATIVE] office **expense term** account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000 multiplied by the number of years in the term to which the candidate is elected; and

(10) transfer all or a portion of the unused campaign contributions to a municipal office account; a transfer under this paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to municipal office, including a municipal school board;

(B) the municipal office account established under this paragraph may be used only for expenses associated with the candidate's serving as mayor or as a member of the assembly, city council, or school board;

(C) all amounts expended from the municipal office account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000.

* **Sec. 8.** AS 15.13.116 is amended by adding a new subsection to read:

(d) After a general or special election, a candidate for the state legislature who has been elected to the state legislature in that election may, from the amount retained in the public office expense term account reserve under this subsection, transfer to a public office expense term account not more than $5,000 each calendar year for use only for expenses associated with the candidate's serving as a member of the legislature. A candidate for the senate may transfer up to $20,000 from unused campaign contributions to a public office expense term account reserve. A candidate

for the house of representatives may transfer up to $10,000 from unused campaign contributions to a public office expense term account reserve. The public office expense term account reserve may only be used to make transfers to the public office expense term account. At the end of the candidate's term of office, a balance in the public office expense term account reserve must be disposed of as provided in (a) of this section but may not be disposed of as provided in (a)(1), (2), (5), or (7) - (10) of this section. All amounts expended under this subsection shall be annually accounted for under AS 15.13.110(a)(4).

* **Sec. 9.** AS 15.13.400 is amended by adding a new paragraph to read:

(12) "state office" includes the office of governor, lieutenant governor, member of the legislature, or similar state office.

* **Sec. 10.** AS 23.20.526(d) is amended to read:

(d) For the purposes of AS 23.20.525(a)(4) - (6) and (14), the term "employment" does not apply to service performed

(1) by a duly ordained, commissioned, or licensed minister of a church in the exercise of the person's ministry or by a member of a religious order in the exercise of duties required by the order;

(2) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market by an individual receiving the rehabilitation or remunerative work;

(3) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or any agency of a state or political subdivision of the state, by an individual receiving work relief or work training;

(4) for a state hospital by an inmate of a prison or correctional institution;

(5) in the employ of a school, college, or university [,] if the service is performed by a student who is enrolled and is regularly attending classes at the

school, college, or university;

(6) by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution **that** [WHICH] normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at the institution, **that** [WHICH] combines academic instruction with work experience, if the service is an integral part of the program, and the institution has so certified to the employer, except that this paragraph does not apply to service performed in a program established for or on behalf of an employer or group of employers;

(7) in the employ of a hospital, if the service is performed by a patient of the hospital, as defined in AS 23.20.520;

(8) in the employ of the state or a political subdivision of the state if the service is performed by an individual in the exercise of duties

(A) as a **judicial officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch, a person hired or appointed as the director of a division of a department in the executive branch, an assistant to the governor, a chair or member of a state commission or board, state investment officers and the state comptroller in the Department of Revenue, the executive director of the Alaska Tourism Marketing Council, an appointed or elected municipal officer** ["PUBLIC OFFICIAL" AS DEFINED IN AS 39.50.200(a)], any other elected official, the fiscal analyst of the legislative finance division, the legislative auditor of the legislative audit division, the executive director of the Legislative Affairs Agency, and the directors of the divisions within the Legislative Affairs Agency;

(B) as a member of the Alaska Army National Guard or Alaska Air National Guard or Alaska Naval Militia; or

(C) as an employee serving on only a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency;

(9) in the employ of

(A) a church or a convention or association of churches; or

(B) an organization **that** [WHICH] is operated primarily for religious purposes and **that** [WHICH] is operated, supervised, controlled, or principally supported by a church or a convention or association of churches.

*** Sec. 11.** AS 24.25.010(e) is amended to read:

(e) This section does not apply to the legislative council**, the Select Committee on Legislative Ethics, or** [NOR TO] the Legislative Budget and Audit Committee.

*** Sec. 12.** AS 24.45.041(b) is amended to read:

The registration form prescribed by the commission must include

(1) the lobbyist's full name and complete permanent residence and business address and telephone number, as well as any temporary residential and business address and telephone number in the state capital during a legislative session;

(2) the full name and complete address of each person by whom the lobbyist is retained or employed;

(3) whether the person from whom the lobbyist receives compensation employs the person solely as a lobbyist or whether the person is a regular employee performing other services for the employer **that** [WHICH] include but are not limited to the influencing of legislative or administrative action;

(4) the nature or form of the lobbyist's compensation for engaging in lobbying, including salary, fees, or reimbursement for expenses received in consideration for, or directly in support of or in connection with, the influencing of legislative or administrative action;

(5) a general description of the subjects or matters on which the registrant expects to lobby or to engage in the influencing of legislative or administrative action;

(6) the full name and complete address of the person, if other than the registrant, who has custody of the accounts, books, papers, bills, receipts, and other documents required to be maintained under this chapter;

(7) the identification of a legislator, legislative employee, or public official to whom the lobbyist is married or who is the spousal equivalent of the

lobbyist; in this paragraph, "spousal equivalent" has the meaning given in AS 39.50.030(g).

*** Sec. 13.** AS 24.45.171(12) is amended to read:

(12) "public official" or "public officer" means

(A) a public official as defined in AS 39.50.200(a) **but does not include a judicial officer or an elected or appointed municipal officer;**

(B) [,] a member of the legislature**;** [,] or

(C) an upper-level employee [A LEGISLATIVE DIRECTOR] as defined in AS 24.60.990(a) [; HOWEVER, IT DOES NOT INCLUDE A JUDICIAL OFFICER OR AN ELECTED OR APPOINTED MUNICIPAL OFFICER].

*** Sec. 14.** AS 24.60.030(a) is amended to read:

(a) A legislator or legislative employee may not

(1) solicit, agree to accept, or accept a benefit other than official compensation for the performance of public duties; this paragraph may not be construed to prohibit lawful solicitation for and acceptance of campaign contributions or the acceptance of a lawful gratuity under AS 24.60.080;

(2) use public funds, facilities, equipment, services, or another government asset or resource for a **nonlegislative** [NONGOVERNMENTAL] purpose**, for involvement in or support of or opposition to partisan political activity,** or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and **either** the cost or value related to the use is nominal **or the legislator or legislative employee reimburses the state for the cost of the use;**

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nongovernmental purposes; [OR]

(C) telephone **or facsimile** use that does not carry a special charge;

(D) the legislative council, notwithstanding AS 24.05.190, from designating a public facility for use by legislators and legislative employees for health or fitness purposes; when the council designates a facility to be used by legislators and legislative employees for health or fitness purposes, it shall adopt guidelines governing access to and use of the facility; the guidelines may establish times in which use of the facility is limited to specific groups; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nongovernmental purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others;

(3) knowingly seek, accept, use, allocate, grant, or award public funds for a purpose other than that approved by law, or make a false statement in connection with a claim, request, or application for compensation, reimbursement, or travel allowances from public funds;

(4) require a legislative employee to perform services for the private benefit of the legislator or employee at any time, or allow a legislative employee to perform services for the private benefit of a legislator or employee on government time; it is not a violation of this paragraph if the services were performed in an unusual or infrequent situation and the person's services were reasonably necessary to permit the legislator or legislative employee to perform official duties;

(5) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for the purpose of political fund raising or campaigning; this paragraph does not prohibit

(A) limited use of state property and resources for personal

purposes if the use does not interfere with the performance of public duties and **either** the cost or value related to the use is nominal **or the legislator or legislative employee reimburses the state for the cost of the use**;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nongovernmental purposes; [OR]

(C) telephone **or facsimile** use that does not carry a special charge;

(D) storing or maintaining, consistent with (b) of this section, election campaign records in a legislator's office; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nongovernmental purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others.

*** Sec. 15.** AS 24.60.030(c) is repealed and reenacted to read:

(c) Unless approved by the committee, during a campaign period for an election in which the legislator or legislative employee is a candidate, a legislator or legislative employee may not use or permit another to use state funds, other than funds to which the legislator is entitled under AS 24.10.110, to print or distribute a political mass mailing to individuals eligible to vote for the candidate. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before the date of an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election, or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or general or special election;

(2) a mass mailing is considered to be political if it is from or about a legislator, legislative employee, or another person who is a candidate for election or reelection to the legislature or another federal, state, or municipal office or to the board of an electric or telephone cooperative.

* **Sec. 16.** AS 24.60.030(d) is amended to read:

(d) A legislator, **legislative employee,** or another person on behalf of the legislator **or legislative employee**, or a campaign committee of the legislator **or legislative employee**, may not distribute or post campaign literature, placards, posters, **fund-raising notices,** or other communications intended to influence the election of a candidate in an election in public areas in a facility ordinarily used to conduct state government business. **This prohibition applies whether or not the election has been concluded. However, a legislator may post, in the legislator's private office, communications related to an election that has been concluded.**

* **Sec. 17.** AS 24.60.030(f) is amended to read:

(f) A legislative employee may not serve in a position that requires confirmation by the legislature. A legislator or legislative employee may serve on a board of an organization, including a governmental entity, that regularly has a substantial interest in the legislative activities of the legislator or employee [,] if the legislator or employee discloses the board membership to the committee. **A legislator or legislative employee who is required to make a disclosure under this subsection shall file the disclosure with the committee by the deadlines set out in AS 24.60.105 stating the name of each organization on whose board the person serves. The committee shall maintain a public record of the disclosure and forward the disclosure to the appropriate house for inclusion in the journal. This subsection does not require a legislator or legislative employee who is appointed to a board by the presiding officer to make a disclosure of the appointment to the committee if the appointment has been published in the appropriate legislative journal during the calendar year.**

* **Sec. 18.** AS 24.60.030(g) is repealed and reenacted to read:

(g) A legislator or legislative employee who has a substantial financial interest that may be affected by official action may not take official action on the matter unless the financial interest has been disclosed as required by this subsection. In the case of a matter that is before a legislative committee or a house of the legislature, the legislator or legislative employee shall orally disclose the financial interest to the legislative committee or to the legislative house, as appropriate. The disclosure must be reported in the journal or in the committee minutes, as appropriate. In the case of a matter that is not before a legislative committee or a house of the legislature, the legislator or legislative employee shall disclose the financial interest to the ethics committee in writing, to be received by the committee within seven days after the legislator or legislative employee takes the action. This written disclosure is a public document. The committee shall promptly forward the disclosure to the clerk of the house or the senate secretary for publication in the journal. A disclosure under this subsection, whether written or oral, must include the nature of the financial interest and a short description of how the action taken affects the interest. In this subsection,

(1) "financial interest" includes

(A) an equity or ownership interest in a business, investment, real property, lease, or other enterprise if the effect of the action on that interest is greater than the effect on a substantial class of persons to which the legislator or legislative employee belongs as a member of a profession, occupation, industry, or region;

(B) an interest based on employment of the legislator or legislative employee or the spouse, spousal equivalent, or dependent child of the legislator or legislative employee;

(C) an interest based on a contract, including a personal services contract, in which the legislator or legislative employee or the spouse, spousal equivalent, or dependent child of the legislator or legislative employee is entitled to receive a benefit from a business or other entity;

(D) an interest created by membership on the board of directors of a corporation regardless of whether the effect of the action on that interest is greater than the effect on a substantial class of persons to which the

legislator or legislative employee belongs as a member of a profession, occupation, industry, or region;

(2) "official action" includes legislative, administrative, and political action.

* **Sec. 19.** AS 24.60.030 is amended by adding a new subsection to read:

(h) In this section, when determining whether an employee is considered to be performing a task on government time, the committee shall consider the employee's work schedule as set by the employee's immediate supervisor. An employee who engages in political campaign activities other than incidental campaign activities as described in this subsection during the employee's work day shall take leave for the period of campaigning. Political campaign activities while on government time are permissible if the activities are part of the normal legislative duties of the employee, including answering telephone calls and handling incoming correspondence.

* **Sec. 20.** AS 24.60.031(a) is amended to read:

(a) A legislator or legislative employee may not

(1) **on a day when either house of** [WHILE] the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a **campaign for state office; however, a legislator may solicit or accept a contribution, promise, or pledge for a campaign for state office that occurs during the 90 days immediately preceding an election in which the legislator is a candidate for state office** [STATE LEGISLATIVE CAMPAIGN];

(2) accept money from an event held **on a day when either house of the legislature is in regular or special** [DURING A LEGISLATIVE] session if a substantial purpose of the event is [EITHER] to raise money on behalf of the member or legislative employee for [CAMPAIGN PURPOSES OR TO RAISE MONEY FOR] state **office** [LEGISLATIVE] political purposes; **however, this paragraph does not prohibit a legislator from accepting money from an event held during the 90 days immediately preceding an election in which the legislator is a candidate for state office;** or

(3) **in a campaign for state office,** expend money **that was raised on a day when either house of the legislature was** in a [STATE] legislative **session**

[CAMPAIGN THAT WAS RAISED] by or on behalf of a legislator [DURING A LEGISLATIVE SESSION] under **a declaration of candidacy or** a general letter of intent to become a candidate for public office**; however, this paragraph does not apply to money raised during the 90 days immediately preceding an election in which the legislator is a candidate for state office**.

* **Sec. 21.** AS 24.60.039 is amended by adding a new subsection to read:

(b) If a person files a complaint with the committee under AS 24.60.170 alleging a violation of this section, the committee may refer the complainant to the State Commission for Human Rights and may defer its consideration of the complaint until after the complainant establishes to the satisfaction of the committee that the commission has completed its proceedings in the matter.

* **Sec. 22.** AS 24.60.040(a) is amended to read:

(a) A legislator or legislative employee, or a member of the immediate family of a legislator or legislative employee, may not be a party to or have an interest in a state contract or lease unless the contract or lease is let [THROUGH COMPETITIVE SEALED BIDDING] under AS 36.30 (State Procurement Code) **or, for agencies that are not subject to AS 36.30, under similar procedures,** or the total annual amount of the state contract or lease is **$5,000** [$1,000] or less, or is a standardized contract or lease that was developed under publicly established guidelines and is generally available to the public at large, members of a profession, occupation, or group. A person has an interest in a state contract or lease under this section if the person receives direct or indirect financial benefits. **A legislator or legislative employee who participates in, or who knows or reasonably should know that a family member is participating in, a state contract or lease that has an annual value of $5,000 or more shall disclose the participation to the committee by the date required under AS 24.60.105. The legislator or legislative employee shall also disclose the renegotiation of a state contract or lease if the original had to be disclosed under this section or if, as a result of renegotiation, disclosure is required under this section. The disclosure must state the amount of the contract or lease and the name of the state agency issuing the contract or lease and must identify the procedures under which the contract or lease was issued. If the disclosure**

concerns a contract or lease in which a family member of the discloser is participating, the disclosure must identify the relationship between the participant and the discloser.

* **Sec. 23.** AS 24.60.040 is amended by adding a new subsection to read:

(c) This section does not apply to a contract or lease issued under a state program or loan that is subject to AS 24.60.050. A grant that results in a contract but that is not subject to AS 24.60.050 is subject to this section.

* **Sec. 24.** AS 24.60.050(c) is amended to read:

(c) A legislator or legislative employee who participates in a program or receives a loan that is not exempt from disclosure under (a) of this section shall file a written report with the committee by **the date required under AS 24.60.105** [FEBRUARY 15 OF EACH YEAR] stating the amounts of the loans outstanding or benefits received during the preceding calendar year from nonqualifying programs. If the committee requests additional information necessary to determine the propriety of participating in the program or receiving the loan, it shall be promptly provided. The committee shall promptly compile a list of the statements indicating the loans and programs and amounts and send it to the presiding officer of each house who shall have it published in the supplemental journals within three weeks **after** [OF] the filing date. **A legislator or legislative employee who believes that disclosure of participation in a program would be an invasion of the participant's right to privacy under the state constitution may request the committee to keep the disclosure confidential. If the committee finds that publication would constitute an invasion of privacy, the committee shall publish only the fact that a person has participated in the program and the amount of benefit that the unnamed person received. The committee shall maintain the disclosure of the name of the person as confidential and may only use the disclosure in a proceeding under AS 24.60.170. If the disclosure becomes part of the record of a proceeding under AS 24.60.170, the disclosure may be made public as provided in that section.**

* **Sec. 25.** AS 24.60.060 is amended by adding a new subsection to read:

(b) A legislator or legislative employee who is the subject of a complaint under AS 24.60.170 violates this section if the legislator or legislative employee

violates a protective order issued under AS 24.60.170(i).

* **Sec. 26.** AS 24.60.070(b) is amended to read:

(b) **A legislator or legislative employee required to make a disclosure under this section shall make a disclosure by the date set under AS 24.60.105 of the legislator's or legislative employee's close economic associations then in existence.** A disclosure under this section must be sufficiently detailed that a reader of the disclosure can ascertain the nature of the association.

* **Sec. 27.** AS 24.60.070 is amended by adding a new subsection to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the legislator or legislative employee is married or who is the legislator's or legislative employee's spousal equivalent, the legislator or legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received by the lobbyist from the lobbyist's employer. The legislator or legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person.

* **Sec. 28.** AS 24.60.080(a) is amended to read:

(a) **Except as otherwise provided in this section, a** [A] legislator or legislative employee may not solicit, accept, or receive, directly or indirectly, a gift worth **$250** [$100] or more, whether in the form of money, services, a loan, travel, entertainment, hospitality, promise, or other form, or gifts from the same person worth less than **$250** [$100] that in a calendar year aggregate to **$250** [$100] or more in value**. Except for food or beverage for immediate consumption, a legislator or legislative employee** [, AND] may not solicit, accept, or receive during a legislative session a gift with any monetary value from a lobbyist or a person acting on behalf of a lobbyist.

* **Sec. 29.** AS 24.60.080(c) is amended to read:

(c) Notwithstanding (a) of this section, it is not a violation of this section for a legislator or legislative employee to accept

(1) hospitality, other than hospitality described in (4) of this subsection,

(A) with incidental transportation at the residence of a person; **however, a vacation home located outside the state is not considered a residence for the purposes of this subparagraph:** or

(B) at a social event or meal;

(2) discounts that are available

(A) generally to the public or to a large class of persons to which the person belongs; **or**

(B) when on official state business, but only if receipt of the discount benefits the state;

(3) food or foodstuffs indigenous to the state that are shared generally as a cultural or social norm;

(4) travel and hospitality primarily for the purpose of obtaining information on matters of legislative concern;

(5) gifts from the immediate family of the person; [OR]

(6) gifts that are not connected with the recipient's legislative status; **or**

(7) a discount for all or part of a legislative session, including time immediately preceding or following the session, or other gift to welcome a legislator or legislative employee who is employed on the personal staff of a legislator or by a standing or special committee to the capital city or in recognition of the beginning of a legislative session if the gift or discount is available generally to all legislators and the personal staff of legislators and staff of standing and special committees; this paragraph does not apply to legislative employees who are employed by the Legislative Affairs Agency, the office of the chief clerk, the office of the senate secretary, the legislative budget and audit committee, or the office of the ombudsman.

* **Sec. 30.** AS 24.60.080(d) is amended to read:

(d) A legislator or legislative employee who accepts a gift under (c)(4) [OR (6)] of this section shall disclose the gift if it has a value of **$250** [$100] or more**; the** [. THE] disclosure must include the name and occupation of the person making the gift**,** [AND] the approximate value of the gift**, and** [. A GIFT UNDER (c)(4) OF

THIS SECTION REQUIRED TO BE DISCLOSED UNDER THIS SUBSECTION] shall be disclosed **to the committee** within 30 days **after** [OF] the receipt of the gift. **Except as provided in (i) of this section, a gift** [TO THE COMMITTEE. GIFTS] under (c)(6) of this section **that has a value of $250 or more** shall be disclosed to the committee annually on or before **February 15** [APRIL 15] of the following calendar year; **the** [AND THE] disclosure needs to include **only a description of the gift and the identity of the donor** [THE VALUE ONLY IF THE VALUE OF THE GIFT EXCEEDS $250]. The committee shall maintain a public record of the disclosure it receives relating to gifts under (c)(4) of this section and shall forward the disclosure to the appropriate house for inclusion in the journal. Disclosures relating to gifts under (c)(6) of this section shall be maintained, but are confidential and may only be used by the committee and its employees and contractors in the investigation of a possible violation of this section or in a proceeding under AS 24.60.170. If the disclosures become part of the record of a proceeding under AS 24.60.170, the confidentiality provisions of that section apply to the disclosures. **The committee shall forward to the Alaska Public Offices Commission copies of the disclosures concerning gifts under (c)(4) of this section that it receives from legislative employees who are required to file financial disclosure statements under AS 24.60.200 and from legislators.**

* **Sec. 31.** AS 24.60.080(e) is amended to read:

(e) A political contribution [THAT IS REPORTED UNDER AS 15.13.040] is not a gift under this section **if it is reported under AS 15.13.040 or is exempt from the reporting requirement under AS 15.13.040(g)**.

* **Sec. 32.** AS 24.60.080(f) is amended to read:

(f) Notwithstanding (a) of this section, a legislator or legislative employee may accept a gift of property worth **$250** [$100] or more, other than money, from **another** [A FOREIGN] government or from an official of **another** [A FOREIGN] government if the person accepts the gift on behalf of the legislature. The person shall, within 60 days **after** [OF] receiving the gift, deliver the gift to the legislative council, which shall determine the appropriate disposition of the gift. **In this subsection, "another government" means a foreign government or the government of the United States.**

another state, a municipality, or another jurisdiction.

* **Sec. 33.** AS 24.60.080(g) is amended to read:

(g) In this section, "immediate family" **or "family member" means**

(1) the spouse of the person;

(2) the person's spousal equivalent;

(3) a child, including a stepchild and an adoptive child, of the person or of the person's spousal equivalent;

(4) a parent, sibling, grandparent, aunt, or uncle of the person; and

(5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse or the person's spousal equivalent [HAS THE MEANING GIVEN IN AS 24.60.990(a)(5) AND INCLUDES THE GRANDPARENTS, AUNTS, AND UNCLES OF A PERSON, AND ALSO INCLUDES A PERSON DESCRIBED IN THIS SUBSECTION OR AS 24.60.990(a)(5) WHO IS RELATED TO THE PERSON BY MARRIAGE].

* **Sec. 34.** AS 24.60.080 is amended by adding new subsections to read:

(h) Notwithstanding (a) of this section, a legislator or legislative employee may solicit, accept, or receive a gift on behalf of a recognized, nonpolitical charitable organization.

(i) A legislator or legislative employee who receives an inheritance worth $250 or more from a person other than a family member shall disclose the fact of the receipt of an inheritance and the identity of the decedent to the committee by the deadline set out in AS 24.60.105. The committee shall treat the disclosure as a disclosure relating to a gift not connected to the recipient's legislative status under (c)(6) of this section. This subsection does not require disclosure of the value of the inheritance.

(j) A legislator, a legislative committee other than the Select Committee on Legislative Ethics, or a legislative agency may accept (1) a gift of volunteer services for legislative purposes so long as the person making the gift of services is not receiving compensation from another source for the services or (2) a gift of the services of a trainee who is participating in an educational program approved by the committee if the services are used for legislative purposes. The committee shall approve training under a program of the University of Alaska and training under 29

U.S.C. 1501 - 1792b (Job Training Partnership Act). A legislative volunteer or educational trainee shall be considered to be a legislative employee for purposes of compliance with AS 24.60.030 - 24.60.039, 24.60.060, 24.60.080, 24.60.085, 24.60.158 - 24.60.170, 24.60.176, and 24.60.178. If a person believes that a legislative volunteer or educational trainee has violated the provisions of one of those sections, the person may file a complaint under AS 24.60.170. The provisions of AS 24.60.170 apply to the proceeding. This subsection does not permit a legislator or legislative employee to accept a gift of services for nonlegislative purposes.

(k) A legislator or legislative employee who knows or reasonably should know that a family member has received a gift because of the family member's connection with the legislator or legislative employee shall report the receipt of the gift by the family member to the committee if the gift would have to be reported under this section if it had been received by the legislator or legislative employee or if receipt of the gift by a legislator or legislative employee would be prohibited under this section.

(l) In this section, the value of a gift shall be determined by the fair market value of the gift to the extent that the fair market value can be determined.

* **Sec. 35.** AS 24.60.085(a) is amended to read:

(a) A legislator or legislative employee may not

(1) seek or accept compensation for personal services that **is significantly greater than the value of** [INVOLVES PAYMENTS THAT ARE NOT COMMENSURATE WITH] the services rendered taking into account the higher rates generally charged by specialists in a profession; or

(2) accept a payment of anything of value, except for actual and necessarily incurred travel expenses, for an appearance or speech by the legislator or legislative employee; this paragraph does not apply to the salary paid to a legislator or legislative employee for making an appearance or speech as part of the legislator's or legislative employee's normal course of employment.

* **Sec. 36.** AS 24.60.100 is amended to read:

Sec. 24.60.100. Representation. A legislator or legislative employee who represents another person for compensation before an agency, board, or commission of the state shall disclose the name of the person represented, the subject matter of the

representation, and the body before which the representation is to take place to the committee. **The disclosure shall be made by the deadlines set out in AS 24.60.105.** The committee shall maintain a public record of **a** [THE] disclosure **under this section** and forward the disclosure to the respective house for inclusion in the journal. A legislator or legislative employee may not represent another person for compensation before an agency, committee, or other entity of the legislative branch.

* **Sec. 37.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.105. Deadlines for filing disclosures. (a) When a legislator or legislative employee is required to file a disclosure under this chapter and a date by which the disclosure must be filed is not otherwise set by statute, the deadlines set out in this section shall apply. For disclosure of a matter or an interest that began or was acquired during the interim between regular legislative sessions, whether or not the regular session is extended or there is a special session, or during the last 30 days of a regular session, the legislator or legislative employee shall disclose the matter by February 15. For disclosure of a matter or an interest that began or was acquired during a regular legislative session, but not during the last 30 days of the regular session, the disclosure must be made within 30 days after the commencement of the interest or representation.

(b) Disclosures under the following statutes are subject to the deadlines set out in this section:

(1) service on the board of an organization as set out in AS 24.60.030(f);

(2) an interest in a state contract or lease under AS 24.60.040 and the renegotiation of the terms of a state contract or lease that materially affect the obligations of either party;

(3) participation in a state program or receipt of a state loan under AS 24.60.050 and the renegotiation of the terms of the program or loan if the renegotiation materially affects the obligations of either party;

(4) formation or maintenance of a close economic association under AS 24.60.070;

(5) receipt of an inheritance under AS 24.60.080(i);

(6) representation of a client under AS 24.60.100.

* **Sec. 38.** AS 24.60.130(f) is amended to read:

(f) The committee may contract for professional services and may employ staff as it considers necessary. A committee employee, including a person who provides personal services under a contract with the committee, may not be a legislator, an elected or appointed official of a state or local governmental entity, an officer of a political party, a candidate for public office, or a registered lobbyist. The legislative council shall provide office space, equipment, and additional staff support for the committee. The committee shall submit a budget for each fiscal year to the finance committees of the legislature and shall annually submit an estimated budget to the governor for information purposes in preparation of the state operating budget. **Public members of the committee serve without compensation for their services, but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.**

* **Sec. 39.** AS 24.60.130(h) is amended to read:

(h) A member is disqualified from participating as a member in any proceeding before the committee involving a complaint against the member **or an employee whose work is supervised by the member** or an advisory opinion requested by the member. If **a regular legislative member of the committee is disqualified under this subsection from participating in a proceeding involving a complaint, an alternate shall be appointed under (o) of this section** [THE LEGISLATURE IS IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED UNDER THIS SUBSECTION, THE PRESIDING OFFICER OF THAT MEMBER'S HOUSE SHALL, WITH THE CONCURRENCE BY ROLL CALL VOTE OF TWO-THIRDS OF THE FULL MEMBERSHIP OF THAT HOUSE, APPOINT ANOTHER MEMBER FROM THAT HOUSE TO ACT AS A MEMBER OF THE COMMITTEE IN THE PROCEEDING. IF THE LEGISLATURE IS NOT IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED, THE PRESIDING OFFICER OF THE HOUSE OF WHICH THE DISQUALIFIED LEGISLATOR IS A MEMBER SHALL APPOINT ANOTHER MEMBER FROM THAT HOUSE, WITH A RECORDED CONCURRENCE OF A MAJORITY VOTE

OF THE SUBCOMMITTEE OF THAT HOUSE, TO ACT AS A MEMBER OF THE COMMITTEE IN THE PROCEEDING].

* **Sec. 40.** AS 24.60.130 is amended by adding a new subsection to read:

(o) When appointing members of the legislature to serve on the committee, the speaker of the house or the president of the senate, as appropriate, shall appoint an alternate member for each regular member. An alternate must have the same qualifications as the regular member for whom the alternate stands as alternate and is subject to confirmation as required for the regular member. If a regular legislative member of the committee or a subcommittee is disqualified under (h) of this section from serving on the committee or the subcommittee concerning a proceeding under AS 24.60.170, the chair of the committee or a subcommittee shall designate the regular member's alternate to serve in place of the regular member in the proceeding unless the alternate is also disqualified from serving. The designation shall be treated as confidential to the same extent that the identity of the subject of a complaint is required to be kept confidential.

* **Sec. 41.** AS 24.60.134(a) is amended to read:

(a) **Except as provided in (c) of this section, in** [IN] addition to **complying with** the requirements of this chapter, a public member of the committee, an employee of the committee, or a person under contract to provide personal services to the committee may not, **during the person's term of office or employment or during the life of the contract, participate in**

(1) [PARTICIPATE IN] political management or in a political campaign **for a candidate for election to federal, state, or local office, regardless of whether the campaign is partisan or nonpartisan, or for passage or defeat of a ballot measure of any type** [DURING THE PERSON'S TERM OF OFFICE, EMPLOYMENT, OR CONTRACT];

(2) [PARTICIPATE IN] the campaign of, attend campaign fund-raising events for, or make a financial contribution to

(A) a candidate for the legislature;

(B) an incumbent legislator or legislative employee who is a candidate for another public office; or

(C) a person running for another office against an incumbent legislator or legislative employee; [OR]

(3) **a fund-raising event held on behalf of a political party or attend a political party fund-raising event; or**

(4) [PARTICIPATE IN] lobbying activities that would require the person to register as a lobbyist except as required to inform the legislature concerning legislation requested by the committee or other matters related to the committee.

* **Sec. 42.** AS 24.60.134 is amended by adding a new subsection to read:

(c) A person under contract to provide personal services to the committee who is part of a corporation or partnership that includes individuals who will not be participating directly in the work performed by the entity for the committee may request the committee to exclude members of the entity from some or all of the provisions of this section. The committee may grant the request if it finds that doing so will not lead to the appearance that the committee is subject to undue political influence and if there is no appearance of impropriety.

* **Sec. 43.** AS 24.60.160 is amended to read:

Sec. 24.60.160. Advisory opinions. **(a) On the request of a person to whom this chapter applies or who has been newly elected to the legislature, the** [THE] committee shall issue an advisory opinion within **60** [30] days [ON THE REQUEST OF A PERSON TO WHOM THE CHAPTER APPLIES OR A PERSON ELECTED TO THE LEGISLATURE WHO AT THE TIME OF ELECTION IS NOT A MEMBER OF THE LEGISLATURE] as to whether the facts and circumstances of a particular case constitute a violation of ethical standards. **If it finds that it is advisable to do so, the committee may issue an opinion under this section on the request of a person who reasonably expects to become subject to this chapter within the next 45 days.** The **60-day** [30-DAY] period for issuing an opinion may be extended by the committee if the person requesting the opinion consents.

(b) An [THE] opinion issued **under this section** is binding on the committee in any subsequent proceedings concerning the facts and circumstances of the particular case unless material facts were omitted or misstated in the request for the advisory opinion. Except as provided in this chapter, an advisory opinion is confidential but

shall be made public if a written request by the person who requested the opinion is filed with the committee. **A person who requested an opinion, including a legislator, may not require admittance to an executive session of the committee when it is deliberating concerning the advisory opinion.**

* **Sec. 44.** AS 24.60.170(a) is amended to read:

(a) The committee shall consider a complaint alleging a violation of this chapter if the alleged violation occurred within five years **before** [OF] the date that the complaint is filed with the committee and, when the subject of the complaint is a former member of the legislature, the complaint is filed within one year **after** [OF] the subject's departure from the legislature. The committee may not consider a complaint filed against **all members of the legislature, against all members of one house of the legislature, or against** a person employed by the legislative branch of government after the person has terminated legislative service. **However, the committee may reinstitute proceedings concerning a complaint that was closed because a former employee terminated legislative service or because a legislator left the legislature if the former employee or legislator resumes legislative service, whether as an employee or a legislator, within five years after the alleged violation.** The committee may also initiate complaints on its own motion, subject to the same time limitations. The time limitations of this subsection do not bar proceedings against a person who intentionally prevents discovery of a violation of this chapter.

* **Sec. 45.** AS 24.60.170(b) is amended to read:

(b) A complaint may be initiated by any person. The complaint must be in writing and signed under oath by the person making the complaint **and must contain a statement that the complainant has reason to believe that a violation of this chapter has occurred and describe any facts known to the complainant to support that belief**. The committee shall upon request provide a form for a complaint to a person wishing to file a complaint. **Upon receiving a complaint, the committee shall advise the complainant that the committee or the subject of the complaint may ask the complainant to testify at any stage of the proceeding as to the complainant's belief that the subject of the complaint has violated this chapter.** The committee shall immediately provide a copy of the complaint to the person who

is the subject of the complaint.

* **Sec. 46.** AS 24.60.170(c) is amended to read:

(c) When the committee receives a complaint under (a) of this section, it **may assign the complaint to a staff person. The staff person shall conduct a preliminary examination of the complaint and advise the committee whether the allegations of the complaint, if true, constitute a violation of this chapter and whether there is credible information to indicate that a further investigation and proceeding is warranted. The staff recommendation shall be based on the information and evidence contained in the complaint as supplemented by the complainant and by the subject of the complaint, if requested to do so by the staff member. The committee shall consider the recommendation of the staff member, if any, and** shall determine whether the allegations of the complaint, if true, constitute a violation of this chapter. If the committee determines that the allegations, if proven, would not give rise to a violation, **that the complaint is frivolous on its face, that there is insufficient credible information that can be uncovered to warrant further investigation by the committee,** or **that** [IF] the committee's lack of jurisdiction is apparent on the face of the complaint, the committee shall dismiss the complaint [,] and shall notify the complainant and the subject of the complaint of the dismissal. **The committee may ask the complainant to provide clarification or additional information before it makes a decision under this subsection and may request information concerning the matter from the subject of the complaint. Neither the complainant nor the subject of a complaint is obligated to provide the information. A proceeding conducted under this subsection, documents that are part of a proceeding, and a dismissal under this subsection are confidential as provided in (l) of this section unless the subject of the complaint waives confidentiality as provided in that subsection.**

* **Sec. 47.** AS 24.60.170(f) is amended to read:

(f) If the committee determines after investigation that there is not probable cause to believe that the subject of the complaint has violated this chapter, the committee shall dismiss the complaint. The committee may also dismiss portions of a complaint if it finds no probable cause to believe that the subject of the complaint

has violated this chapter as alleged in those portions. The committee shall issue a decision explaining its dismissal. **Committee deliberations and vote on the dismissal order and decision are not open to the public or to the subject of the complaint.** A copy of the dismissal order and decision shall be sent to the complainant and to the subject of the complaint. Notwithstanding (l) of this section, a dismissal order and decision is open to inspection and copying by the public.

* **Sec. 48.** AS 24.60.170(g) is amended to read:

(g) If the committee investigation determines that a probable violation of this chapter exists that may be corrected by action of the subject of the complaint and that does not warrant sanctions other than correction, the committee may issue an opinion recommending corrective action. This opinion shall be provided to the complainant and to the subject of the complaint, and is open to inspection by the public. The subject of the complaint may comply with the opinion or may request a hearing before the committee under (j) of this section. After the hearing, the committee may amend or affirm the opinion. **If the subject of the complaint agrees to comply with the opinion but later fails to complete the corrective action in a timely manner, the committee may formally charge the person as provided in (h) of this section or may refer the matter to the appropriate house of the legislature, in the case of a legislator, or, in the case of a legislative employee, to the employee's appointing authority. The appropriate house of the legislature or the appointing authority, as appropriate, may take action to enforce the corrective action or may decline to take action and refer the matter to the committee. In either case, the committee may formally charge the person under (h) of this section.**

* **Sec. 49.** AS 24.60.170(h) is amended to read:

(h) If the subject of a complaint fails to comply with an opinion **and the committee decides** [ISSUED] under (g) of this section **to charge the person**, or if the committee determines after investigation that there is probable cause to believe that the subject of the complaint has committed a violation of this chapter that may require sanctions instead of or in addition to corrective action, the committee shall formally charge the person. The charge shall be served on the person charged, in a manner consistent with the service of summons under the rules of civil procedure, and a copy

of the charge shall be sent to the complainant. The person charged may file a responsive pleading to the committee admitting or denying some or all of the allegations of the charge.

* **Sec. 50.** AS 24.60.170(i) is amended to read:

(i) A person charged under **(h)** [(b)] of this section may engage in discovery in a manner consistent with the Alaska Rules of Civil Procedure. The committee may **adopt procedures that**

(1) impose reasonable restrictions on the time for this discovery and on the materials that may be discovered**;**

(2) permit a person who is the subject of a complaint to engage in discovery at an earlier stage of the proceedings;

(3) impose reasonable restrictions on the release of information that the subject of a complaint acquires from the committee in the course of discovery, or on information obtained by use of the committee's authority, in order to protect the privacy of persons not under investigation to whom the information pertains; however, the committee may not impose restrictions on the release of information by the subject of the complaint unless the complainant has agreed to be bound by similar restrictions and has not made public the information contained in the complaint, information about the complaint, or the fact of filing the complaint.

* **Sec. 51.** AS 24.60.170(l) is amended to read:

(l) Proceedings of the committee relating to complaints before it are confidential until the committee determines that there is probable cause to believe that a violation of this chapter has occurred. The complaint and all documents produced or disclosed as a result of the committee investigation are confidential and not subject to inspection by the public. If in the course of an investigation or probable cause determination the committee finds evidence of probable criminal activity, the committee shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the committee finds evidence of a probable violation of AS 15.13, the committee shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices

Commission. All meetings of the committee before the determination of probable cause are closed to the public **and to legislators who are not members of the committee. However, the committee may permit the subject of the complaint to attend a meeting other than the deliberations on probable cause**. The confidentiality provisions of this subsection may be waived by the subject of the complaint**, except that the subject of the complaint may not waive the confidentiality duty the committee owes to others and may not require the committee to deliberate in public**.

*** Sec. 52.** AS 24.60.174(a) is amended to read:

(a) If the person found to have violated this chapter is or was a member of the legislature, the committee's recommendations shall be forwarded by the chair of the committee to the presiding officer of the appropriate house of the legislature. **If the committee recommends sanctions other than expulsion from the legislature, the committee recommendation**

(1) must include a suggested timetable for the compliance reports required under (e) of this section, if any; and

(2) may include recommended fines that the legislature may impose if the legislator who was found to have violated this chapter does not comply with the sanctions imposed by the legislature in a timely manner.

*** Sec. 53.** AS 24.60.174 is amended by adding a new subsection to read:

(e) When a house of the legislature imposes a sanction other than expulsion on a member or former member, it shall advise the committee at the time of imposing the sanction of the terms it has imposed and of the timetable for compliance adopted with the sanctions. A legislator or former legislator on whom sanctions other than expulsion have been imposed shall report to the committee as required by the timetable. If the committee determines that the legislator or former legislator has not complied fully and in a timely manner with the sanctions imposed by the legislature, the committee may recommend that the legislature impose a fine or additional sanctions.

*** Sec. 54.** AS 24.60.176 is amended to read:

Sec. 24.60.176. Recommendations where violator is a legislative employee.

If the person found to have violated this chapter is or was a legislative employee, the committee's recommendations shall be forwarded to the appropriate appointing authority which shall, as soon as is reasonably possible, determine the sanctions, if any, to be imposed. The appointing authority may not question the committee's findings of fact. The appointing authority shall assume the validity of the committee's findings [,] and determine and impose the appropriate sanctions. **The appointing authority has the power to impose a sanction recommended by the committee or to impose a different sanction. The appointing authority shall enforce the sanction and shall report to the committee at a time specified by the committee concerning the employee's compliance with the sanction.**

* **Sec. 55.** AS 24.60.176 is amended by adding a new subsection to read:

(b) In this section, "appointing authority" means

(1) the legislative council for employees of the Legislative Affairs Agency and of the legislative council and for legislative employees not otherwise covered under this subsection;

(2) the Legislative Budget and Audit Committee for the legislative fiscal analyst and employees of the division of legislative finance, the legislative auditor and employees of the division of legislative audit, and employees of the Legislative Budget and Audit Committee;

(3) the appropriate finance committee for employees of the senate or house finance committees;

(4) the appropriate rules committee for employees of standing committees of the legislature, other than the finance committees, and employees of the senate secretary's office and the office of the chief clerk of the house of representatives;

(5) the legislator who made the hiring decision for employees of individual legislators; however, the legislator may request the appropriate rules committee to act in the legislator's stead;

(6) the ombudsman for employees of the office of the ombudsman, other than the ombudsman;

(7) the legislature for the ombudsman.

* **Sec. 56.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.178. Recommended sanctions. (a) When the committee finds that a person has violated this chapter, the committee may recommend appropriate sanctions, including sanctions set out in (b) of this section.

(b) The sanctions that the committee may recommend include

(1) imposition of a civil penalty of not more than $5,000 for each offense or twice the amount improperly gained, whichever is greater;

(2) divestiture of specified assets or withdrawal from specified associations;

(3) additional, detailed disclosure, either as a public disclosure or as a confidential disclosure to the committee;

(4) in the case of a legislative employee, suspension of employment with or without pay for a stated period of time or until stated conditions are met, or termination from legislative employment;

(5) restitution of property or reimbursement of improperly received benefits;

(6) public or private written reprimand;

(7) censure, including, in the case of a legislator, removal from a leadership position or committee membership and a determination that the legislator will not be appointed to serve in a leadership position or on a committee during the remainder of that legislature;

(8) placing the person on probationary status;

(9) in the case of a legislator, expulsion from the house of the legislature;

(10) any other appropriate measure.

(c) In addition to or in place of a sanction recommended under (b) of this section, the committee may recommend that the subject of a complaint be required to pay all or a portion of the costs related to the investigation and adjudication of a complaint.

* **Sec. 57.** AS 24.60.200 is amended to read:

Sec. 24.60.200. Financial disclosure by legislators, <u>upper-level employees,</u>

and public members of the committee [LEGISLATIVE DIRECTORS]. A legislator**, an upper-level employee,** and a **public member of the committee** [LEGISLATIVE DIRECTOR] shall file a disclosure statement, under oath and on penalty of perjury, with the Alaska Public Offices Commission giving the following information about the income received by **the discloser, the discloser's spouse or spousal equivalent, the discloser's** [THEM, THEIR SPOUSES, THEIR] dependent children, and **the discloser's** [THEIR] nondependent children who are living with **the discloser** [THEM]:

(1) the information that a public official is required to report under AS 39.50.030, **other than information about gifts** [EXCEPT THAT SOURCES OF INCOME OTHER THAN GIFTS OF $1,000 OR LESS, AND LOANS OF $1,000 OR LESS NEED NOT BE REPORTED];

(2) as to income in excess of $1,000 received as compensation for personal services, the name and address of the source of the income, and a statement describing the nature of the services performed; if the source of income is known or reasonably should be known to have a substantial interest in legislative, administrative, or political action and the recipient of the income is a legislator or **an upper-level employee** [A LEGISLATIVE DIRECTOR], the amount of income received from the source shall be disclosed;

(3) as to each loan or loan guarantee over $1,000 from a source with a substantial interest in legislative, administrative, or political action, the name and address of the person making the loan or guarantee, the amount of the loan, the terms and conditions under which the loan or guarantee was given, the amount outstanding at the time of filing, and whether or not a written loan agreement exists [;

(4) THE SOURCE OF A GIFT, OTHER THAN AN INHERITANCE, RECEIVED DURING THE PRECEDING CALENDAR YEAR BY THE PERSON, THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THE PERSON, IF THE AMOUNT OF THE GIFT EXCEEDS $100 AND IS RECEIVED FROM A PERSON WHO IS NOT A MEMBER OF THE RECIPIENT'S FAMILY].

*** Sec. 58.** AS 24.60.210 is amended to read:

Sec. 24.60.210. Deadlines for filing of disclosure statements. A legislator and **an upper-level employee** [A LEGISLATIVE DIRECTOR] shall file an annual report with the Alaska Public Offices Commission, covering the previous calendar year, containing the disclosures required by AS 24.60.200, on or before **February** [APRIL] 15 of each year. **However, an upper-level employee who was first appointed to a position compensated at Range 19 or above on or after January 1 of the calendar year in which the report is to be filed is required to file the report on or before the 60th day after the employee was hired into the position.**

* **Sec. 59.** AS 24.60.240 is amended to read:

Sec. 24.60.240. Civil penalty for late filing. A legislator or **an upper-level employee** [A LEGISLATIVE DIRECTOR] who fails to file a properly completed report under AS 24.60.200 is subject to a civil penalty of not more than $10 a day for each day the delinquency continues as the Alaska Public Offices Commission determines, subject to appeal to the superior court. An affidavit stating facts in mitigation may be submitted to the Alaska Public Offices Commission by the person against whom the civil penalty is assessed. However, the imposition of the penalties prescribed in this section does not excuse the person from filing reports required by AS 24.60.200.

* **Sec. 60.** AS 24.60.250 is amended to read:

Sec. 24.60.250. Effect of failure to file by legislative candidate or upper level employee. In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that a candidate for the legislature who is an incumbent legislator [OR A LEGISLATIVE DIRECTOR] has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the lieutenant governor. The candidate shall forfeit nomination to office and may not be seated in office. The lieutenant governor may not certify the person's nomination for office or election to office, and nomination to the office shall be certified as provided in AS 39.50.060(b). **In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that an upper-level employee has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the appropriate committee of the**

legislature. For the ombudsman and employees of the office of the ombudsman, the appropriate committee is the Alaska Legislative Council. For upper-level employees who are not employed by the Legislative Affairs Agency or the Legislative Budget and Audit Committee, the commission shall notify the Rules Committee of the appropriate legislative body.

*** Sec. 61.** AS 24.60.260(a) is amended to read:

(a) A person required to make a disclosure under this chapter may not knowingly make a false or deliberately misleading or incomplete disclosure to the committee or to the Alaska Public Offices Commission. **A person who files** [, OR FILE] a disclosure after a deadline set by this chapter or by a regulation adopted by the committee or by the Alaska Public Offices Commission **has violated this chapter and may be subject to imposition of a fine as provided in (c) of this section or AS 24.60.240**.

*** Sec. 62.** AS 24.60.260 is amended by adding a new subsection to read:

(c) The committee may impose a fine on a person who files a disclosure after a deadline set by this chapter. The amount of the fine imposed under this subsection may not exceed $2 for each day to a maximum of $100 for each disclosure for a late disclosure. However, if the committee finds that a late filing was inadvertent, the maximum fine the committee may impose under this subsection is $25.

*** Sec. 63.** AS 24.60.990(a)(5) is amended to read:

(5) "immediate family" means

(A) the spouse **or spousal equivalent of the person; or**

(B) a parent, child [, PARENTS, CHILDREN], including a stepchild and an adoptive child, and **sibling** [SIBLINGS] of a person **if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial financial interest with the person**;

*** Sec. 64.** AS 24.60.990(a) is amended by adding new paragraphs to read:

(15) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage;

(16) "state office" includes the office of governor, lieutenant governor, member of the legislature, or similar state office;

(17) "upper-level employee" means a legislative employee, other than a legislator, who is compensated at Range 19 or above of the state salary schedule under AS 39.27.011.

* **Sec. 65.** AS 39.25.070 is amended to read:

Sec. 39.25.070. Powers and duties of personnel board. In addition to the other duties imposed by this chapter, the personnel board shall

(1) approve or disapprove amendments to the personnel rules in accordance with AS 39.25.140;

(2) consider and act upon recommendations for the extension of the partially exempt service and the classified service as provided in AS 39.25.130;

(3) hear and determine appeals by employees in the classified service as provided in AS 39.25.170;

(4) establish its own rules of procedure; two members constitute a quorum for the transaction of business and two affirmative votes are required for final action on matters acted upon by the board;

(5) elect a **chair** [CHAIRMAN] from its membership;

(6) have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to a hearing authorized by this chapter;

(7) employ staff members, who shall be in the classified service;

(8) **carry out its powers and duties under AS 39.52** [RETAIN INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c);

(9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS OF, HEARING OFFICERS IN ACCORDANCE WITH AS 39.52.350(c), 39.52.360, AND 39.52.370;

(10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 - 39.52.190; AND

(11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410, 39.52.440, AND 39.52.450].

* **Sec. 66.** AS 39.25.160 is amended by adding a new subsection to read:

(j) A state employee, whether in the classified, partially exempt, or exempt

service, may not campaign on behalf of a political candidate on government time. This subsection does not prohibit the employees of the division of elections from carrying out duties related to elections or the members and employees of the commission on judicial conduct from carrying out duties relating to the evaluation of justices and judges. This subsection does not apply to the governor and lieutenant governor and members of the legislature.

* **Sec. 67.** AS 39.50.020 is amended to read:

Sec. 39.50.020. Report of financial and business interests. (a) A **public official other than the governor or the lieutenant governor** [JUDICIAL OFFICER, COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A MUNICIPAL OFFICER] shall file a statement giving income sources and business interests, under oath and on penalty of perjury, within 30 days after taking office as a public official. Candidates for state elective office other than a candidate who is subject to AS 24.60 shall file **the** [SUCH A] statement with the director of elections at the time of filing a declaration of candidacy or a nominating petition [,] or [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for elective municipal office shall file **the** [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that a previously accepted filing fee be returned and the candidate's name removed from the filing records. A statement shall also be filed by public officials no later than **March** [APRIL] 15 or 15 days after the person files a federal income tax return in each following year, whichever comes first. Persons who are members of boards or commissions not named in AS 39.50.200(b) are not required to file financial statements.

(b) **A public official other than an elected or appointed municipal officer** [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission. Candidates for the office of governor and lieutenant governor and, if the candidate is not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* **Sec. 68.** AS 39.50.030(a) is amended to read:

(a) Each statement **must** [SHALL] be an accurate representation of the financial affairs of the public official or candidate and **must** [SHALL] contain the same information for each member of the person's family, as specified in (b) **and (d)** of this section, to the extent that it is ascertainable by the public official or candidate. [AN ASSET OR LIABILITY UNDER $500, HOUSEHOLD GOODS, AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

* **Sec. 69.** AS 39.50.030(b) is amended to read:

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

(1) the source of all income over **$1,000** [$100] during the preceding calendar year, including taxable and nontaxable capital gains, received by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person**, except that a source of income that is a gift must be included if the value of the gift exceeds $250**;

(2) the identity, by name and address, of each business in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person was a stockholder, owner, officer, director, partner,

proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned in any business during the preceding calendar year by the person, the person's spouse or dependent child, or a nondepender.. child of the person who is living with that person;

(4) the identity and nature of each interest in real property, including an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(5) the identity of each trust or other fiduciary relation in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person held a beneficial interest **exceeding $1,000** during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee **of more than $1,000** made to the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person. the person's spouse or dependent child, or a nondependent child of the person who lives with that person owed **more than $1,000; this paragraph requires disclosure of a loan, loan guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than $1,000 at any time during the preceding calendar year** [$500 OR MORE];

(7) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, **a partnership or professional corporation of which the person is a member** [THE PERSON'S MOTHER OR FATHER], or a corporation in which the person or the person's spouse or children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease

held, or lease offer made, during the preceding calendar year by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse or children, or a combination of them, holds a controlling interest.

* **Sec. 70.** AS 39.50.030 is amended by adding new subsections to read:

(d) In addition to the requirements of (b) of this section, each statement filed under this chapter by a public official in the executive branch of state government other than the chair or a member of a state commission or board must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed so that a reader can ascertain the nature of the association. A public official shall disclose a close economic association with

(1) a legislator;

(2) a public official who is not an elected or appointed municipal officer;

(3) a lobbyist; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If a public official required to disclose a close economic association under (d) of this section forms a close economic association after the date on which the public official files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the commission within 60 days after the formation of the association.

(f) When making a disclosure under (d) of this section concerning a relationship with a lobbyist to whom the public official is married or who is the public official's spousal equivalent, the public official shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The public official shall report changes in the employers of the spouse or spousal equivalent within 48 hours after the change. In this subsection,

"employer of the lobbyist" means the person from whom the lobbyist received money, or goods or services having a monetary value, for engaging in lobbying on behalf of the person.

(g) In this section,

(1) "close economic association" means a financial relationship that exists between a public official required to disclose a close economic association under (d) of this section and some other person or entity, including a relationship where the public official serves as a consultant or advisor to is a member or representative of, or has a financial interest in an association, partnership, business, or corporation;

(2) "lobbyist" has the meaning given in AS 24.60.990(a);

(3) "public officer" has the meaning given in AS 39.52.960;

(4) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage.

* **Sec. 71.** AS 39.50.070 is amended to read:

Sec. 39.50.070. Failure to report by <u>certain public officials</u> [DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS]. A <u>**public official**</u> [PERSON HIRED OR APPOINTED AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT] in the executive branch <u>**of state government, other than the governor or lieutenant governor or a chair or member of a state board or commission,**</u> who refuses or fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature for confirmation, until the person complies. The person may not be confirmed, hired, or appointed, and the person forfeits and may not be paid any salary, per diem, or travel expenses, until the person complies. If, after installation <u>**in office or beginning employment in the position**</u> [AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT], the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date of the report.

* **Sec. 72.** AS 39.50.200(a)(8) is amended to read:

(8) "public official" means

(A) a judicial officer**;**

(B) [,] the governor **or** [,] the lieutenant governor**;**

(C) [,] a person hired or appointed **in** [AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION,] a department in the executive branch **as**

(i) the head or deputy head of the department;

(ii) the director or deputy director of a division;

(iii) a special assistant to the head of the department;

(iv) a person serving as the legislative liaison for the department;

(D) a person hired as [,] an **employee in the office of** [ASSISTANT TO] the governor **or the office of the lieutenant governor other than**

(i) a clerical, security, messenger, or maintenance employee, or other employee in the office of the governor or the office of the lieutenant governor whom the personnel board designates because the employee is not employed in an executive or professional capacity or as an administrator and does not exercise discretion over policy matters;

(ii) an employee of the State Commission for Human Rights, including the director;

(iii) an employee of the office of equal employment opportunity; however, the director of the office is a public official;

(iv) an employee of the division of elections; however, the director of the division is a public official;

(v) an employee of the Alaska Human Resource Investment Council, including the director;

(vi) an employee of the Alaska Human Relations Commission, including the director;

(E) the [,] chair or a member of a state commission or board;

(F) [,] state investment officers and the state comptroller in the Department of Revenue;

(G) [,] the executive director of the Alaska Tourism Marketing Council;

(H) the chief procurement officer appointed under AS 36.30.010; and

(I) [, AND] each appointed or elected municipal officer;

*** Sec. 73.** AS 39.52.010(a) is amended to read:

(a) It is declared **that**

(1) [THAT] high moral and ethical standards among public officers in the executive branch are essential **to assure the trust, respect, and confidence of the people of this state:** [TO THE CONDUCT OF FREE GOVERNMENT; AND]

(2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics for the guidance of public officers will

(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;

(B) [, WILL] improve standards of public service; **and**

(C) [, AND WILL] promote and strengthen the faith and confidence of the people of this state in their public officers;

(3) [. IT IS FURTHER DECLARED THAT] holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;

(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest;

(5) in order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered fairly without bias or favoritism;

(6) no code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are

appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

(7) compliance with a code of ethics is an individual responsibility; thus all who serve the state have a solemn responsibility to avoid improper conduct and prevent improper behavior by colleagues and subordinates.

*** Sec. 74.** AS 39.52.110(c) is amended to read:

(c) **Designated** [THE ATTORNEY GENERAL, DESIGNATED] supervisors, hearing officers, and the personnel board must be guided by this section when issuing opinions and reaching decisions.

*** Sec. 75.** AS 39.52.120(b) is amended to read:

(b) A public officer may not

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

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate **or require another public officer to perform services for the private benefit of the public officer at any time;**

(6) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for partisan political purposes; this paragraph does not prohibit use of the governor's residence for meetings to discuss political strategy and does not prohibit use of the communications equipment in the governor's residence so long as there is no special charge to the state for the use; in this paragraph, "for partisan political purposes"

(A) means having the intent to differentially benefit or harm

a

(i) candidate or potential candidate for elective office;

or

(ii) political party or group;

(B) but does not include having the intent to benefit the public interest at large through the normal performance of official duties.

*** Sec. 76.** AS 39.52.120 is amended by adding a new subsection to read:

(d) In this section, when determining whether a public officer is considered to be performing a task on government time, the personnel board shall consider the public officer's work schedule as set by the public officer's immediate supervisor, if any. A public officer other than the governor and lieutenant governor who engages in political campaign activities other than incidental campaign activities as described in this subsection during the work day shall take approved leave for the period of campaigning.

*** Sec. 77.** AS 39.52.130(b) is amended to read:

(b) Notice of the receipt by a public officer of a gift with a value in excess of **$150** [$50], including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt

(1) if the public officer may take or withhold official action that affects the giver**; or**

(2) if the gift is connected to the public officer's governmental status.

*** Sec. 78.** AS 39.52.130(c) is amended to read:

(c) In accordance with AS 39.52.240, a designated supervisor may request guidance from the **personnel board** [ATTORNEY GENERAL] concerning whether acceptance of a particular gift is prohibited.

*** Sec. 79.** AS 39.52.130 is amended by adding new subsections to read:

(e) A public officer who, on behalf of the state, accepts a gift from another government or from an official of another government shall, within 60 days after its receipt, notify the Office of the Governor in writing. The Office of the Governor shall determine the appropriate disposition of the gift. In this subsection, "another

government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.

(f) A public officer who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the public office held by the public officer shall report the receipt of the gift by the family member to the public officer's designated supervisor if the gift would have to be reported under this section if it had been received by the public officer or if receipt of the gift by a public officer would be prohibited under this section.

* **Sec. 80.** AS 39.52 is amended by adding a new section to read:

Sec. 39.52.132. Restrictions on fund raising. (a) The governor, lieutenant governor, or a commissioner may not

(1) on a day when either house of the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a candidate for state office; however, the governor or the lieutenant governor may solicit or accept a contribution, promise, or pledge for a campaign for state office that occurs during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office;

(2) accept money from an event held on a day when either house of the legislature is in regular or special session if a substantial purpose of the event is to raise money on behalf of the governor or lieutenant governor for a campaign for state office; however, this paragraph does not prohibit the governor or lieutenant governor from accepting money from an event held during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office; or

(3) expend money in a campaign for state office that was raised by or on behalf of the governor or lieutenant governor under a declaration of candidacy or a general letter of intent to become a candidate for public office if the money was raised on a day when either house of the legislature was in a legislative session; however, this paragraph does not apply to money raised during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office.

(b) In this section,

(1) "commissioner" means the head of a principal executive department in the state government;

(2) "contribution" has the meaning given in AS 15.13.400.

* **Sec. 81.** AS 39.52.170 is amended by adding a new subsection to read:

(c) The head of a principal executive department of the state may not accept employment for compensation outside the agency that the executive head serves.

* **Sec. 82.** AS 39.52.180(c) is amended to read:

(c) The head of an agency may waive application of (a) of this section after determining that representation by a former public officer is not adverse to the public interest. The waiver must be in writing and a copy of the waiver must be provided to the **personnel board** [ATTORNEY GENERAL] for approval or disapproval.

* **Sec. 83.** AS 39.52.180 is amended by adding a new subsection to read:

(d) A former governor, lieutenant governor, or head of a principal department in the executive branch may not engage in activity as a lobbyist under AS 24.45 for a period of one year after leaving service as the governor, lieutenant governor, or department head, as appropriate. This subsection does not prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the Alaska Public Offices Commission.

* **Sec. 84.** AS 39.52.210 is amended to read:

Sec. 39.52.210. Declaration of potential violations by public employees. (a) A public employee who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall

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

(2) immediately disclose the matter in writing to the designated supervisor **and the personnel board**.

(b) A public employee's designated supervisor shall make a written determination whether an employee's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the public employee and to the personnel board**. If the supervisor determines that a violation could exist or

will occur, the supervisor shall,

(1) reassign duties to cure the employee's potential violation, if feasible; or

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

(c) A designated supervisor may request guidance from the **personnel board** [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a public employee is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 85.** AS 39.52.220 is amended to read:

Sec. 39.52.220. Declaration of potential violations by members of boards or commissions. (a) A member of a board or commission who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall disclose the matter on the public record and in writing to the designated supervisor **and to the personnel board**. The supervisor shall determine whether the member's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the board or commission member and to the personnel board**. If a member of the board or commission objects to the ruling of the supervisor, or if the supervisor discloses an involvement requiring a determination, the members present at a meeting, excluding the involved member, shall vote on the matter. If the supervisor or a majority of the members voting determine that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter.

(b) The **member of a board or commission, the** designated supervisor, or the board or commission may request guidance from the **personnel board** [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 86.** AS 39.52.230 is amended to read:

Sec. 39.52.230. Reporting of potential violations. A person may report to a public officer's designated supervisor, under oath and in writing, a potential violation

of AS 39.52.110 - 39.52.190 by the public officer. The supervisor shall provide a copy of the report to the officer who is the subject of the report **and to the personnel board**, and shall review the report to determine whether a violation may exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor determines that the matter may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 87.** AS 39.52.240(a) is amended to read:

(a) Upon the written request of a designated supervisor or a board or commission, the **personnel board** [ATTORNEY GENERAL] shall issue opinions interpreting this chapter. The requester must supply any additional information requested by the **personnel board** [ATTORNEY GENERAL] in order to issue the opinion. Within 60 days after receiving a complete request, the **personnel board** [ATTORNEY GENERAL] shall issue an advisory opinion on the question.

* **Sec. 88.** AS 39.52.240(b) is amended to read:

(b) The **personnel board** [ATTORNEY GENERAL] may offer oral advice if delay would cause substantial inconvenience or detriment to the requesting party.

* **Sec. 89.** AS 39.52.240(c) is amended to read:

(c) **In the case of a request for advice from a designated supervisor or a board or commission, the** [THE] designated supervisor or **the** [A] board or commission shall make a written determination based on the advice of the **personnel board** [ATTORNEY GENERAL]. If the advice [OF THE ATTORNEY GENERAL] provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 - 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

* **Sec. 90.** AS 39.52.240(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may reconsider, revoke, or modify an advisory opinion at any time, including upon a showing that material facts were omitted or misstated in the request for the opinion.

* **Sec. 91.** AS 39.52.240(h) is amended to read:

(h) The **personnel board** [ATTORNEY GENERAL] shall publish in the

Alaska Administrative Journal, with sufficient deletions to prevent disclosure of the persons whose identities are confidential under (g) of this section, the advisory opinions issued under this section that the **personnel board** [ATTORNEY GENERAL] determines to be of major import because of their general applicability to executive branch officers.

* **Sec. 92.** AS 39.52.250 is amended to read:

Sec. 39.52.250. Advice to former public officers. (a) A former public officer may request, in writing, an opinion from the **personnel board** [ATTORNEY GENERAL] interpreting this chapter. The **personnel board** [ATTORNEY GENERAL] shall give advice in accordance with AS 39.52.240(a) or (b) and publish opinions in accordance with AS 39.52.240(h).

(b) A former public officer is not liable under this chapter for any action carried out in accordance with the advice of the **personnel board** [ATTORNEY GENERAL] issued under this section, if the public officer fully disclosed all relevant facts reasonably necessary to the issuance of the advice.

* **Sec. 93.** AS 39.52.260 is amended to read:

Sec. 39.52.260. Designated supervisor's report and personnel board [ATTORNEY GENERAL] review. (a) A designated supervisor shall quarterly submit a report to the **personnel board that** [ATTORNEY GENERAL WHICH] states the facts, circumstances, and disposition of any disclosure made under AS 39.52.210 - 39.52.240.

(b) The **personnel board** [ATTORNEY GENERAL] shall review determinations reported under this section. The **personnel board** [ATTORNEY GENERAL] may request additional information from a supervisor concerning a specific disclosure and its disposition.

(c) The report prepared under this section is confidential and not available for public inspection unless formal proceedings under AS 39.52.350 are initiated based on the report. If formal proceedings are initiated, the relevant portions of the report are public documents open to inspection. The **personnel board** [ATTORNEY GENERAL] shall, however, make available to the public a summary of the reports received under this section, with sufficient deletions to prevent disclosure of a person's

identity.

* **Sec. 94.** AS 39.52 is amended by adding a new section to article 3 to read:

Sec. 39.52.270. Disclosure statements. (a) A public officer required to file a disclosure statement under this chapter shall meet the requirements of this subsection in making the disclosure. When the public officer files a disclosure statement under this chapter, the public officer signing the disclosure shall certify that, to the best of the public officer's knowledge, the statement is true, correct, and complete. The disclosure must state that, in addition to any other penalty or punishment that may apply, a person who submits a false statement that the person does not believe to be true is punishable under AS 11.56.200 - 11.56.240.

(b) A designated supervisor who receives a disclosure statement under AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that there is a possibility that the activity or situation reported in a disclosure statement filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240. Failure of the designated supervisor to proceed under AS 39.52.210 - 39.52.240 does not relieve the public officer of the public officer's obligations under those statutes.

(c) In this section, "disclosure statement" means a report or written notice filed under AS 39.52.110 - 39.52.220.

* **Sec. 95.** AS 39.52.310(a) is amended to read:

(a) The **personnel board** [ATTORNEY GENERAL] may initiate a complaint, or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or 39.52.260. **The personnel board may not, during a campaign period, initiate a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office.**

* **Sec. 96.** AS 39.52.310(b) is amended to read:

(b) A person may file a complaint with the **personnel board** [ATTORNEY GENERAL] regarding the conduct of a current or former public officer. A complaint must be in writing, be signed under oath, and contain a clear statement of the details of the alleged violation. **The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election**

to state office as provided in (j) of this section if the complaint is initiated during a campaign period.

* **Sec. 97.** AS 39.52.310(c) is amended to read:

(c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the governor, lieutenant governor, or the attorney general, the [MATTER SHALL BE REFERRED TO THE PERSONNEL BOARD. THE] personnel board shall retain independent counsel who shall act in the place of the attorney general under **AS 39.52.350** [(d) - (i) OF THIS SECTION, AS 39.52.320 - 39.52.350,] and 39.52.360(c) and (d). **Notwithstanding AS 36.30.015(d), the personnel board may contract for or hire independent counsel under this subsection without notifying or securing the approval of the Department of Law.**

* **Sec. 98.** AS 39.52.310(d) is amended to read:

(d) The **personnel board** [ATTORNEY GENERAL] shall review each complaint filed, to determine whether it is properly completed and contains allegations which, if true, would constitute conduct in violation of this chapter. The **personnel board** [ATTORNEY GENERAL] may require the complainant to provide additional information before accepting the complaint. If the **personnel board** [ATTORNEY GENERAL] determines that the allegations in the complaint do not warrant an investigation, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint with notice to the complainant and the subject of the complaint.

* **Sec. 99.** AS 39.52.310(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may refer a complaint to the subject's designated supervisor for resolution under AS 39.52.210 or 39.52.220.

* **Sec. 100.** AS 39.52.310(f) is amended to read:

(f) If the **personnel board** [ATTORNEY GENERAL] accepts a complaint for investigation, the **personnel board** [ATTORNEY GENERAL] shall serve a copy of the complaint upon the subject of the complaint, for a response. The **personnel board** [ATTORNEY GENERAL] may require the subject to provide, within 20 days after service, full and fair disclosure in writing of all facts and circumstances pertaining to the alleged violation. Misrepresentation of a material fact in a response to the **personnel board** [ATTORNEY GENERAL] is a violation of this chapter. Failure to

answer within the prescribed time, or within any additional time period that may be granted in writing by the **personnel board** [ATTORNEY GENERAL], may be considered an admission of the allegations in the complaint.

* **Sec. 101.** AS 39.52.310(g) is amended to read:

(g) If a complaint is accepted under (f) of this section, the **personnel board** [ATTORNEY GENERAL] shall investigate to determine whether a violation of this chapter has occurred. At any stage of an investigation or review, the **personnel board** [ATTORNEY GENERAL] may issue a subpoena under AS 39.52.380.

* **Sec. 102.** AS 39.52.310 is amended by adding new subsections to read:

(j) The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for state office received during a campaign period to the complainant unless the governor or lieutenant governor, as appropriate, permits the personnel board to assume jurisdiction under this subsection. If the personnel board receives a complaint concerning the conduct of the governor or lieutenant governor who is a candidate during the campaign period, the personnel board shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the personnel board's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the personnel board mails or otherwise sends notice of the complaint to the candidate, notify the personnel board that the candidate chooses to have the personnel board proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the personnel board that the candidate is not waiving the suspension of jurisdiction, the personnel board shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period.

(k) A campaign period under this section begins on the later of 45 days before a primary election in which the governor or lieutenant governor is a candidate for state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier.

For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified.

* **Sec. 103.** AS 39.52.320 is amended to read:

Sec. 39.52.320. Dismissal before formal proceedings. If, after investigation, it appears that there is no probable cause to believe that a violation of this chapter has occurred, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint and [PREPARE AND FILE A CONFIDENTIAL SUMMARY WITH THE PERSONNEL BOARD. THE ATTORNEY GENERAL] shall communicate disposition of the matter promptly to the complainant and to the subject of the complaint.

* **Sec. 104.** AS 39.52.330 is amended to read:

Sec. 39.52.330. Corrective or preventive action. After determining that the conduct of the subject of a complaint does not warrant a hearing under AS 39.52.360, the **personnel board** [ATTORNEY GENERAL] shall recommend action to correct or prevent a violation of this chapter. The **personnel board** [ATTORNEY GENERAL] shall communicate the recommended action to the complainant and the subject of the complaint. The subject of the complaint shall comply with the **personnel board's** [ATTORNEY GENERAL'S] recommendation.

* **Sec. 105.** AS 39.52.340(a) is amended to read:

(a) Before the initiation of formal proceedings under AS 39.52.350, **the complaint and all other documents and** information regarding an investigation conducted under this chapter [,] or obtained by the **personnel board** [ATTORNEY GENERAL] during the investigation **are** [, IS] confidential **and not subject to inspection by the public. All meetings of the personnel board concerning the complaint and investigation before the determination of probable cause are closed to the public. If, in the course of an investigation or probable cause determination, the personnel board finds evidence of probable criminal activity, the personnel board shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the personnel board finds evidence of a probable violation of AS 15.13, the personnel board shall**

transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission. The **personnel board** [ATTORNEY GENERAL] and all persons contacted during the course of an investigation shall maintain confidentiality regarding the existence of the investigation. [A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS A MISDEMEANOR.]

* **Sec. 106.** AS 39.52.350 is amended to read:

Sec. 39.52.350. Probable cause for hearing. (a) If the **personnel board** [ATTORNEY GENERAL] determines that there is probable cause to believe that a knowing violation of this chapter or a violation that cannot be corrected under AS 39.52.330 has occurred, or that the subject of a complaint failed to comply with a recommendation for corrective or preventive action, the **personnel board** [ATTORNEY GENERAL] shall initiate formal proceedings by **requesting the attorney general to serve** [SERVING] a copy of an accusation upon the subject of the accusation. The accusation shall specifically set out the alleged violation. After service, the accusation is a public document open to inspection. Except as provided in AS 39.52.370(c), all subsequent proceedings are open to the public.

(b) The subject of the accusation shall file an answer with the **personnel board and the** attorney general within 20 days after service of the accusation, or at a later time specified by the **personnel board** [ATTORNEY GENERAL]. If the subject of the accusation fails to timely answer, the allegations are considered admitted.

(c) If the subject of the accusation denies that a violation of this chapter has occurred, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board [, WHICH] shall appoint a hearing officer to conduct a hearing.

(d) If the subject of the accusation admits a violation of this chapter, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board **shall** [TO] impose penalties under AS 39.52.410, 39.52.440, and 39.52.450, as appropriate.

* **Sec. 107.** AS 39.52.920 is amended to read:

Sec. 39.52.920. Agency policies. Subject to the review and approval of the

personnel board [ATTORNEY GENERAL], an agency may adopt a written policy that, in addition to the requirements of this chapter, limits the extent to which a public officer in the agency or an administrative unit of the agency may

(1) acquire a personal interest in an organization or a financial interest in a business or undertaking that may benefit from official action taken or withheld by the agency or unit;

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

(3) accept a gift.

*** Sec. 108.** AS 39.52.950 is amended to read:

Sec. 39.52.950. Regulations. The attorney general may adopt regulations under **AS 44.62 (** [THE] Administrative Procedure Act) necessary to interpret and implement **the provisions concerning complaints under** this chapter. **The personnel board may adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to interpret and implement the other provisions of this chapter.**

*** Sec. 109.** AS 39.52.960(11) is amended to read:

(11) "immediate family member" means

(A) the spouse of the person;

(B) another person cohabiting with the person in a conjugal relationship that is not a legal marriage;

(C) a child, including a stepchild and an adoptive child, of the person;

(D) a parent, sibling, grandparent, aunt, or uncle of the person; and

(E) a parent, sibling, grandparent, aunt, or uncle of the person's spouse [A PUBLIC OFFICER'S SPOUSE, A RELATION BY BLOOD WITHIN AND INCLUDING THE SECOND DEGREE OF KINDRED, AND A REGULAR MEMBER OF THE OFFICER'S HOUSEHOLD];

*** Sec. 110.** AS 44.62.175(a) is amended to read:

(a) The lieutenant governor shall publish or contract for the publication of the

Alaska Administrative Journal. The journal shall be published weekly. The journal must include

(1) notices of proposed actions given under AS 44.62.190(a);

(2) notices of state agency meetings required under AS 44.62.310(e), even if the meeting has been held;

(3) notices of solicitations to bid issued under AS 36.30.130;

(4) notices of state agency requests for proposals issued under AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; AS 38.05.120; and AS 43.40.010;

(5) executive orders and administrative orders issued by the governor;

(6) written delegations of authority made by the governor or the head of a principal department under AS 44.17.010;

(7) the text or a summary of the text of a regulation or order of repeal of a regulation for which notice is given under AS 44.62.190(a), including an emergency regulation or repeal whether or not it has taken effect;

(8) a summary of the text of recently issued formal opinions and memoranda of advice of the attorney general;

(9) a list of vacancies on boards, commissions, and other bodies whose members are appointed by the governor; and

(10) in accordance with AS 39.52.240(h), advisory opinions of the **personnel board** [ATTORNEY GENERAL].

* **Sec. 111.** AS 24.60.990(a)(9) is repealed.

* **Sec. 112.** RELIANCE ON ADVISORY OPINIONS OF THE ATTORNEY GENERAL. Notwithstanding the amendments made to AS 39.52.240 - 39.52.250 by secs. 87 - 92 of this Act, a public officer or a former public officer may rely on an advisory opinion given by the attorney general under AS 39.52.240 - 39.52.250 before the effective date of this bill section to the same extent that the public officer or former public officer could have relied on the opinion if those sections had not been amended by this Act.

* **Sec. 113.** PROVISIONS MADE SPECIFICALLY APPLICABLE TO INCUMBENT LEGISLATORS. Notwithstanding any other provision of AS 15.13, the provisions of AS 15.13.116(d), added by sec. 8 of this Act, apply to authorize a legislator holding office

in the legislature during the First Regular Session of the Twentieth Alaska State Legislature who, under sec. 32, ch. 48, SLA 1996, retains unused campaign contributions in the candidate's election campaign account, to transfer to a public office expense term account as permitted under AS 15.13.116(d), enacted by sec. 8 of this Act. All amounts expended under this section shall be annually accounted for under AS 15.13.110(a)(4).

* **Sec. 114.** Sections 7, 8, and 113 of this Act are retroactive to December 31, 1996.

* **Sec. 115.** Sections 2 - 5, 7 - 9, 113, and 114 of this Act take effect immediately under AS 01.10.070(c).

* **Sec. 116.** Sections 1, 6, and 10 - 112 of this Act take effect January 1, 1999.

MEMORANDUM

State of Alaska
Department of Law

TO: Ben Brown
Aide to Senator Kelly

DATE: April 14, 1998

FILE:

TEL NO.: 465-3600

FROM: Stephen C. Slotnick
Assistant Attorney General

SUBJECT:

Ben, I am concerned that amendment L-1 to SB 105, which was adopted by House State Affairs last Thursday (pursuant to our joint recommendation) may be unconstitutional.

I am concerned about the provision of AS 39.52.335(f) which would allow the Personnel Board to make public the names of accused ethics violators, even though the alleged violator might not have had due process to clear his or her name.

The Alaska Constitution has a special provision of its due process clause relating to investigations: "The right of all persons to fair and just treatment in the course of legislative and executive investigations shall not be infringed." Alaska Const., art. I § 7. *See also O'Leary v. Superior Ct.*, 816 P.2d 163,171-72 (Alaska 1991).

To remedy the problem, I have drafted two alternative versions of AS 39.52.335(f) for your consideration.

Version 1: ***Eliminate publication of names, but allow publication of a report.*** The first version allows publication of an expurgated report. This protects the interests of the individual, but allows for public criticism or praise of the attorney general in a report.

Version 2: ***Provide that a court may order publication of the name of the subject under certain conditions.*** The second version allows an interested party to request that a court order publication of the matter, including the subject's name, if the Personnel Board recommends publication and the court determines that (i) the settlement of the case is clearly contrary to the Ethics Act; (ii) at least one allegation against the subject is supported by substantial evidence, and (iii) publication will not infringe on the rights of the subject. This version is patterned after Criminal Rule 6.1 for release of grand jury reports.

Version 1

"* **Sec. 91.** AS 39.52.335is amended to read:

Sec. 39.52.335. Summary of disposition of complaints and review by personnel board. (a) When the attorney general initiates or receives a complaint under AS 39.52.310, the attorney general shall immediately forward a copy of the complaint to the personal board.

(b) Each month, the attorney general shall file a report with the personnel board concerning the status of each pending complaint and the resolution of complaints that have been closed since the previous report.

(c) If a complaint is dismissed under AS 39.52.320 or resolved under AS 39.52.330, the attorney general shall promptly prepare a summary of the matter and provide a copy of the summary to the personnel board and the complainant. The summary is confidential unless the **dismissal or resolution agreed to under AS 39.52.320 or 39.52.330 is public.**

[(1) ATTORNEY GENERAL DESIGNATES THAT IT IS A PUBLIC DOCUMENT; OR

(2) PERSONNEL BOARD MAKES THE MATTER PUBLIC UNDER (F) OF THIS SECTION.]

(d) Within 15 days after receipt of a summary under this section, a complainant may file comments with the personnel board regarding the disposition of the complaint.

(e) At its next regular meeting that begins more than 15 days after receipt of a summary under this section, the personnel board shall review the summary and comments,

if any, filed by the complainant. The personnel board may compel the attendance of the subject of the complaint or the complainant at the meeting and may compel the production of documents. Attendance may be by teleconference. The attorney general or the attorney general's designee shall be available to respond to questions from the personnel board concerning the disposition of the complaint.

(f) After review of the summary, the personnel board may issue a report on the disposition of the complaint. [IF THE PERSONNEL BOARD FINDS THAT A DISMISSAL OR RESOLUTION OF A COMPLAINT CLEARLY WAS CONTRARY TO THE REQUIREMENTS OF THIS CHAPTER, THE BOARD MAY NOTIFY THE SUBJECT OF THE COMPLAINT THAT THE BOARD INTENDS TO MAKE THE COMPLAINT, THE DISPOSITION BY THE ATTORNEY GENERAL, AND THE BOARD'S FINDINGS PUBLIC. THE SUBJECT OF THE COMPLAINT MAY REQUEST A HEARING BEFORE THE BOARD WITHIN 15 DAYS AFTER THE BOARD NOTIFIES THE SUBJECT OF ITS INTENTION TO MAKE THE MATTER PUBLIC TO REQUEST THE BOARD TO RECONSIDER ITS DECISION. IF THE SUBJECT REQUESTS A HEARING, THE BOARD MAY NOT MAKE THE MATTER PUBLIC UNTIL AFTER THE HEARING TO RECONSIDER ITS DECISION.]

(g) If the summary is confidential under (c) of this section, then, [UNLESS THE PERSONNEL BOARD DETERMINES THAT THE MATTER SHOULD BE MADE PUBLIC UNDER (F) OF THIS SECTION,]

(1) comments filed by the complainant, if any, are confidential;

(2) the personnel board shall conduct the review of the summary in

executive session; and

(3) the personnel board report [DECLINING TO MAKE THE MATTER PUBLIC], if any, is confidential; the personnel board shall make available to the public an expurgated copy of a confidential report with sufficient deletions and editing to prevent disclosure of the identity of the persons involved in the matter."

Version 2

"* **Sec. 91.** AS 39.52.335is amended to read:

Sec. 39.52.335. Summary of disposition of complaints and review by personnel board and superior court. (a) When the attorney general initiates or receives a complaint under AS 39.52.310, the attorney general shall immediately forward a copy of the complaint to the personal board.

(b) Each month, the attorney general shall file a report with the personnel board concerning the status of each pending complaint and the resolution of complaints that have been closed since the previous report.

(c) If a complaint is dismissed under AS 39.52.320 or resolved under AS 39.52.330, the attorney general shall promptly prepare a summary of the matter and provide a copy of the summary to the personnel board and the complainant. The summary is confidential unless the

(1) [ATTORNEY GENERAL DESIGNATES THAT IT IS A PUBLIC DOCUMENT] <u>dismissal or resolution agreed to under AS 39.52.320 or 39.52.330 is public</u>; or

(2) [PERSONNEL BOARD] <u>superior court</u> makes the matter public under ([f]h) of this section

(d) Within 15 days after receipt of a summary under this section, a complainant may file comments with the personnel board regarding the disposition of the complaint.

(e) At its next regular meeting that begins more than 15 days after receipt of a summary under this section, the personnel board shall review the summary and comments,

if any, filed by the complainant. The personnel board may compel the attendance of the subject of the complaint or the complainant at the meeting and may compel the production of documents. Attendance may be by teleconference. The attorney general or the attorney general's designee shall be available to respond to questions from the personnel board concerning the disposition of the complaint.

(f) After review of the summary, the personnel board may issue a report on the disposition of the complaint. [IF THE PERSONNEL BOARD FINDS THAT A DISMISSAL OR RESOLUTION OF A COMPLAINT CLEARLY WAS CONTRARY TO THE REQUIREMENTS OF THIS CHAPTER, THE BOARD MAY NOTIFY THE SUBJECT OF THE COMPLAINT THAT THE BOARD INTENDS TO MAKE THE COMPLAINT, THE DISPOSITION BY THE ATTORNEY GENERAL, AND THE BOARD'S FINDINGS PUBLIC. THE SUBJECT OF THE COMPLAINT MAY REQUEST A HEARING BEFORE THE BOARD WITHIN 15 DAYS AFTER THE BOARD NOTIFIES THE SUBJECT OF ITS INTENTION TO MAKE THE MATTER PUBLIC TO REQUEST THE BOARD TO RECONSIDER ITS DECISION. IF THE SUBJECT REQUESTS A HEARING, THE BOARD MAY NOT MAKE THE MATTER PUBLIC UNTIL AFTER THE HEARING TO RECONSIDER ITS DECISION.] **If the matter is confidential and the board determines that publication of the name of the subject is in the public interest, the report may include a recommendation that the matter be made public.**

(g) If the summary is confidential under (c) of this section, then, [UNLESS THE PERSONNEL BOARD DETERMINES THAT THE MATTER SHOULD BE MADE PUBLIC UNDER (F) OF THIS SECTION,]

(1) comments filed by the complainant, if any, are confidential;

(2) the personnel board shall conduct the review of the summary in executive session; and

(3) the personnel board report [DECLINING TO MAKE THE MATTER PUBLIC], if any, is confidential; the personnel board shall make available to the public an expurgated copy of a confidential report with sufficient deletions and editing to prevent disclosure of the identity of the persons involved in the matter.

(h) If the matter is not made public and the personnel board report includes a recommendation that the matter be made public, an interested party may file an action against the state in superior court, requesting that the court make public the complaint, the attorney general's disposition of the complaint, and the personnel board report. The court may order the matter or portions of the matter made public if the court determines that

(1) the dismissal or resolution of the complaint was clearly contrary to the requirements of this chapter;

(2) one or more of the allegations in the information to be released is supported by substantial evidence;

(3) the matter concerns the public interest; and

(4) release of the information will not infringe upon any protected rights or liberties of the subject.

Section 7 - Due Process.

No person shall be deprived of life, liberty, or property, without due process of law. The right of all persons to fair and just treatment in the course of legislative and executive investigations shall not be infringed.

Section 8 - Grand Jury.

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the armed forces in time of war or public danger. Indictment may be waived by the accused. In that case the prosecution shall be by information. The grand jury shall consist of at least twelve citizens, a majority of whom concurring may return an indictment. The power of grand juries to investigate and make recommendations concerning the public welfare or safety shall never be suspended.

Section 9 - Jeopardy and Self-Incrimination.

No person shall be put in jeopardy twice for the same offense. No person shall be compelled in any criminal proceeding to be a witness against himself.

Section 10 - Treason.

Treason against the State consists only in levying war against it, or in adhering to its enemies, giving them aid and comfort. No person shall be convicted of treason, unless on the testimony of two witnesses to the same overt act, or on confession in open court.

Section 11 - Rights of Accused.

In all criminal prosecutions, the accused shall have the right to a speedy and public trial, by an impartial jury of twelve, except that the legislature may provide for a jury of not more than twelve nor less than six in courts not of record. The accused is entitled to be informed of the nature and cause of the accusation; to be released on bail, except for capital offenses when the proof is evident or the presumption great; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

Adopted

0-LS0074\L.1
Cramer
4/3/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "L"

Page 46, lines 7 - 10:

Delete all material.

Renumber the following bill sections accordingly.

Page 47, line 8, following "time,":

Insert "the attorney general and"

Page 47, lines 23 - 26:

Delete all material.

Renumber the following bill sections accordingly.

Page 49, lines 8 - 12:

Delete all material.

Renumber the following bill sections accordingly.

Page 49, line 20:

Delete "AS 39.52.210"

Insert "AS 39.52.210(a)"

Page 49, line 21:

Delete "**Sec. 39.52.210. Declaration of potential violations by public employees.**"

Page 49, line 27:

Delete "**personnel board**"

Insert "**attorney general**"

Page 49, following line 27:

Insert

"* **Sec. 82.** AS 39.52.210(b) is amended to read:"

Renumber the following bill sections accordingly.

Page 49, line 31:

Delete "**personnel board**"

Insert "**attorney general**"

Page 50, lines 6 - 9:

Delete all material.

Page 50, line 15:

Delete "**personnel board**"

Insert "**attorney general**"

Page 50, line 17:

Delete "**personnel board**"

Insert "**attorney general**"

Page 50, lines 25 - 26:

Delete "**personnel board** [ATTORNEY GENERAL]"

Insert "attorney general"

Page 51, lines 2 - 3:

Delete "**personnel board**"

Insert "**attorney general**"

Page 51, lines 6 - 15:

Delete all material.

Renumber the following bill sections accordingly.

Page 51, lines 19 - 20:

Delete "**personnel board** [ATTORNEY GENERAL]"

Insert "attorney general"

Page 51, line 26, through page 53, line 1:

Delete all material and insert:

"* **Sec. 86.** AS 39.52.260 is amended by adding a new subsection to read:

(d) The attorney general shall submit to the personnel board a copy of the quarterly reports received from designated supervisors under (a) of this section together with a report on the attorney general's review conducted under (b) of this section."

Renumber the following bill sections accordingly.

Page 53, line 21:

Delete "**personnel board** [ATTORNEY GENERAL]"

Insert "attorney general"

Page 53, line 23:

Delete "**personnel board**"

Insert "**attorney general**"

Page 53, line 26, through page 54, line 2:

Delete all material.

Renumber the following bill section accordingly.

Page 54, lines 5 - 8:

Delete "[MATTER SHALL BE REFERRED TO THE PERSONNEL BOARD. THE] personnel board shall retain independent counsel who shall act in the place of the attorney general under **AS 39.52.350** [(d) - (i) OF THIS SECTION, AS 39.52.320 - 39.52.350,]"

Insert "matter shall be referred to the personnel board. **The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office as provided in (j) of this section if the complaint is initiated during a campaign period.** The personnel board shall retain independent counsel who shall act in the place of the attorney general under (d) - (i) of this section, AS 39.52.320 - 39.52.350,"

Page 54, line 12, through page 55, line 8:

Delete all material.

Renumber the following bill sections accordingly.

Page 56, lines 4 - 19:

Delete all material and insert:

"* **Sec. 91.** AS 39.52 is amended by adding a new section to read:

Sec. 39.52.335. Summary of disposition of complaints and review by personnel board. (a) When the attorney general initiates or receives a complaint under AS 39.52.310, the attorney general shall immediately forward a copy of the complaint to the personnel board.

(b) Each month, the attorney general shall file a report with the personnel board concerning the status of each pending complaint and the resolution of complaints that have been closed since the previous report.

(c) If a complaint is dismissed under AS 39.52.320 or resolved under AS 39.52.330, the attorney general shall promptly prepare a summary of the matter and provide a copy of the summary to the personnel board and the complainant. The summary is confidential unless the

(1) attorney general designates that it is a public document; or

(2) personnel board makes the matter public under (f) of this section.

(d) Within 15 days after receipt of a summary under this section, a complainant may file comments with the personnel board regarding the disposition of the complaint.

(e) At its next regular meeting that begins more than 15 days after receipt of a summary under this section, the personnel board shall review the summary and comments, if any, filed by the complainant. The personnel board may compel the attendance of the subject of the complaint or the complainant at the meeting and may compel the production of documents. Attendance may be by teleconference. The attorney general or the attorney general's designee shall be available to respond to questions from the personnel board concerning the disposition of the complaint.

(f) After review of the summary, the personnel board may issue a report on the disposition of the complaint. If the personnel board finds that a dismissal or resolution of a complaint clearly was contrary to the requirements of this chapter, the board may notify the subject of the complaint that the board intends to make the complaint, the disposition by the attorney general, and the board's findings public. The subject of the complaint may request a hearing before the board within 15 days after the board notifies the subject of its intention to make the matter public to request the board to reconsider its decision. If the subject requests a hearing, the board may not make the matter public until after the hearing to reconsider its decision.

(g) If the summary is confidential under (c) of this section, then, unless the personnel board determines that the matter should be made public under (f) of this section,

(1) comments filed by the complainant, if any, are confidential;

(2) the personnel board shall conduct the review of the summary in executive session; and

(3) the personnel board report declining to make the matter public, if any, is confidential; the personnel board shall make available to the public an expurgated copy of a confidential report with sufficient deletions and editing to prevent disclosure of the identity of the persons involved in the matter."

Renumber the following bill sections accordingly.

Page 56, line 21:

Delete "Before"

Insert "**Except as provided in AS 39.52.335, before** [BEFORE]"

Page 56, lines 23 - 24:

Delete "**personnel board** [ATTORNEY GENERAL]"

Insert "attorney general"

Page 56, lines 25 - 27:

Delete "**All**"

Insert "**In the case of a complaint concerning the governor, lieutenant governor, or attorney general, all**"

Page 56, line 28:

Delete "**personnel board**"

Insert "**attorney general**"

Page 56, line 29:

Delete "**personnel board**"

Insert "**attorney general**"

Page 56, line 30:

Delete "**personnel board**"

Insert "**attorney general**"

Page 56, line 31:

Delete "**personnel board**"

Insert "**attorney general**"

Page 57, lines 2 - 3:

Delete "**personnel board** [ATTORNEY GENERAL]"

Insert "attorney general"

Page 57, line 7, through page 58, line 9:

Delete all material.

Page 58, line 13:

Delete "**the provisions concerning complaints under**"

Page 58, line 15:

Delete "**the other provisions of**"

Insert "**its duties under**"

Page 58, line 30, through page 59, line 21:

Delete all material.

Renumber the following bill sections accordingly.

Page 58, lines 23 - 28:

Delete all material.

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 59, line 24

Page 59, line 31

Page 60, line 4

Page 60, line 6

Page 60, line 7

Page 60, line 9

0-LS0074\L.2
Cramer
4/3/98

Withdrawn

AMENDMENT

except adjournment travel home.

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "L"

Page 17. following line 5:

Insert a new bill section to read:

"* **Sec. 21.** AS 24.60.031 is amended by adding a new subsection to read:

(c) A legislator may not travel at state expense to a place in which the legislator plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit a legislator from holding a campaign fund raising event in a place to which the legislator traveled at state expense if the travel to the place is completed at least 48 hours before the event was scheduled to begin."

Renumber the following bill sections accordingly.

Page 48, following line 31:

Insert a new subsection to read:

"(b) Except for travel to the capital city, an elected official may not travel at state expense to a place in which the official plans to hold a campaign fund raising event if the travel occurs less than 48 hours before the event is scheduled to begin. This subsection does not prohibit an elected official from holding a campaign fund raising event in a place to which the elected official traveled at state expense if the travel to the place is completed at least 48 hours before the event was scheduled to begin. In this subsection, "elected official" means the governor or the lieutenant governor."

Reletter the following subsection accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 59, line 24

Page 59, line 31

Page 60, line 4

Page 60, line 6

Page 60, line 7

Page 60, line 9

0-LS0074\L.3
Cramer
4/3/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "L"

Page 38, following line 29:

Insert a new bill section to read:

"* **Sec. 66.** AS 39.25.160(e) is amended to read:

(e) An employee in the classified, [OR] partially exempt, **or exempt** service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign any position held in the state service. The employee's position becomes vacant on the date the employee files a declaration of candidacy for state or national elective office. **This subsection does not apply to**

(1) a justice, judges, magistrates, and employees of the judicial branch, including employees of the judicial council;

(2) the governor or the lieutenant governor;

(3) a member of the legislature;

(4) an employee seeking election as a delegate to a constitutional convention;

(5) officers and employees of the University of Alaska;

(6) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;

(7) certificated teachers employed by the Department of Education as correspondence teachers, teachers in skill centers operated by the Department of Education, or teachers at Mt. Edgecumbe School;

(8) members of boards and commissions and authorities if the member is not entitled to compensation other than per diem and travel for service on the board, commission, or authority;

(9) emergency fire-fighting personnel employed by the Department of Natural Resources for a fire emergency or for fire prevention and related activities conducted under AS 41.15.030;

(10) youth employed by the Department of Natural Resources under the Youth Employment and Student Intern programs;

(11) students employed by the state institutions in which the students are enrolled;

(12) persons engaged in employment or pre-employment training programs operated by the Department of Military and Veterans' Affairs;

(13) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience."

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 59, line 24

Page 59, line 31

Page 60, line 4

Page 60, line 6

Page 60, line 7

Page 60, line 9



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Cramer
4/3/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ); Draft Version "L"

Page 28, line 30, following ":":

Insert "**The committee shall respond to a complaint concerning the conduct of a candidate for election to state office received during the campaign period in accordance with (o) of this section.**"

Page 32, following line 8:

Insert a new bill section to read:

"* **Sec. 52.** AS 24.60.170 is amended by adding a new subsection to read:

(o) The committee shall return a complaint concerning the conduct of a candidate for state office received during a campaign period to the complainant unless the subject of the complaint permits the committee to assume jurisdiction under this subsection. If the committee receives a complaint concerning the conduct of a candidate during the campaign period, the committee shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the committee's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the committee mails or otherwise sends notice of the complaint to the candidate, notify the committee that the candidate chooses to have the committee proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the committee that the candidate is not waiving the suspension of committee jurisdiction, the committee shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period. A campaign period under this subsection begins on the later of 45 days before a primary election in which the legislator or legislative employee is a candidate for

state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified."

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 59, line 24

Page 59, line 31

Page 60, line 4

Page 60, line 6

Page 60, line 7

Page 60, line 9

0-LS0074\L.5
Cramer
4/3/98

Passed

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "L"

Page 2, line 6, through page 4, line 29:

Delete all material and insert:

"(d) A candidate or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 **for election or reelection to the state legislature** may not solicit or accept a contribution **while** [IF] the legislature is convened in a regular or special legislative session **unless** [, AND] the **solicitation or acceptance occurs during the 90 days immediately preceding an election in which the** candidate or individual is a **candidate** [MEMBER OF THE LEGISLATURE, OR EMPLOYED AS A MEMBER OF THE LEGISLATOR'S STAFF OR AS A MEMBER OF THE STAFF OF A LEGISLATIVE COMMITTEE].

* **Sec. 3.** AS 15.13.074(c) is amended to read:

(c) A person or group may not make a contribution

(1) to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, [WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION,] before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the [GENERAL] election **when the office is to be filled at a general election or the date of the**

proclamation when the office is to be filled at a special election;

(2) to a candidate for the state legislature or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for the state legislature [, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION,] while the legislature is convened in **a** [ITS] regular **or special** legislative session**, unless the contribution is made during the 90 days immediately preceding an election in which the candidate or individual is a candidate, or** [AND] before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the [GENERAL] election;

(3) to a candidate or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for an office that is to be filled at a [SPECIAL ELECTION OR] municipal election before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100;

(B) **the date that** is nine months before the date of the [GENERAL OR REGULAR] municipal election [OR THAT IS BEFORE THE DATE OF THE PROCLAMATION OF THE SPECIAL ELECTION AT WHICH THE CANDIDATE OR INDIVIDUAL SEEKS ELECTION TO PUBLIC OFFICE]; or

(4) to any candidate later than the 45th day

(A) after the date of a primary election if the candidate

(i) has been nominated at the primary election or is

running as a write-in candidate; and

(ii) is not opposed at the general election;

(B) after the date of the primary election if the candidate was not nominated at the primary election; or

(C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the candidate was opposed at the general, municipal, or municipal runoff election."

Renumber the following bill sections accordingly.

Page 16, line 18:

Delete "**state office**"

Insert "**the state legislature**"

Page 16, line 19:

Delete "**state office**"

Insert "**the state legislature**"

Page 16, line 21:

Delete "**state office**"

Insert "**the state legislature**"

Page 16, line 26:

Delete "**office** [LEGISLATIVE]"

Insert "legislative"

Page 16, lines 28 - 29:

Delete "**state office**"

Insert "**the state legislature**"

Page 16, line 30:

Delete "**state office**"

Insert "**the state legislature**"

Page 17, line 5:

Delete "**state office**"

Insert "**the state legislature**"

Page 48, line 9, through page 49, line 4:

Delete all material.

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 59, line 24

Page 59, line 31

Page 60, line 4

Page 60, line 6

Page 60, line 7

Page 60, line 9

Withdrawn

0-LS0074\L.6
Cramer
4/3/98

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 105( ), Draft Version "L"

Page 10, lines 30 - 31:

Delete "**legislator, legislative employee.**"

Insert "**legislative employee**"

Page 11, following line 2:

Insert new bill sections to read:

"* **Sec. 13.** AS 24.45.041(b) is amended to read:

(b) The registration form prescribed by the commission must include

(1) the lobbyist's full name and complete permanent residence and business address and telephone number, as well as any temporary residential and business address and telephone number in the state capital during a legislative session;

(2) the full name and complete address of each person by whom the lobbyist is retained or employed;

(3) whether the person from whom the lobbyist receives compensation employs the person solely as a lobbyist or whether the person is a regular employee performing other services for the employer that include but are not limited to the influencing of legislative or administrative action;

(4) the nature or form of the lobbyist's compensation for engaging in lobbying, including salary, fees, or reimbursement for expenses received in consideration for, or directly in support of or in connection with, the influencing of legislative or administrative action;

(5) a general description of the subjects or matters on which the registrant expects to lobby or to engage in the influencing of legislative or administrative action;

(6) the full name and complete address of the person, if other than the

registrant, who has custody of the accounts, books, papers, bills, receipts, and other documents required to be maintained under this chapter;

(7) the identification of a **legislator,** legislative employee, or public official to whom the lobbyist is married or who is the spousal equivalent of the lobbyist; in this paragraph, "spousal equivalent" has the meaning given in AS 39.50.030(g).

* **Sec. 14.** AS 24.45 is amended by adding a new section to read:

Sec. 24.45.165. Spouses and cohabitants of elected officials. (a) A spouse or spousal equivalent of the governor, the lieutenant governor, or a legislator may not engage in lobbying the executive branch of state government or the legislature during the elected official's term of office.

(b) In this section,

(1) "elected official" means the governor, the lieutenant governor, or a legislator;

(2) "engage in lobbying" means to act as a lobbyist;

(3) "spousal equivalent" has the meaning given in AS 39.50.030(g)."

Renumber the following bill sections accordingly.

Page 19, line 10:

Delete "legislator or"

Page 19, line 11:

Delete "legislator's or"

Delete "legislator or"

Page 19, line 14:

Delete "legislator or"

Page 19, following line 17:

Insert a new bill section to read:

"* **Sec. 30.** AS 24.60.070(d) is amended to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the **legislator or** legislative employee is married or who is the **legislator's or** legislative employee's spousal equivalent, the **legislator or** legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received by the lobbyist from the lobbyist's employer. The **legislator or** legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person."

Renumber the following bill sections accordingly.

Page 42, line 31, following ".":

Insert "This subsection does not apply to the governor or the lieutenant governor."

Page 43, following line 13:

Insert a new bill section to read:

"* **Sec. 74.** AS 39.50.030(f) is amended to read:

(f) When making a disclosure under (d) of this section concerning a relationship with a lobbyist to whom the public official is married or who is the public official's spousal equivalent, the public official shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The public official shall report changes in the employers of the spouse or spousal equivalent within 48 hours after the change. [THIS SUBSECTION DOES NOT APPLY TO THE GOVERNOR OR THE LIEUTENANT GOVERNOR.] In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received money, or goods or services having a monetary value, for engaging in lobbying on behalf of the person."

Renumber the following bill sections accordingly.

Page 59, following line 22:

Insert a new bill section to read:

"* **Sec. 116.** AS 24.45.165 is repealed."

Renumber the following bill sections accordingly.

Page 60, following line 5:

Insert a new bill section to read:

"* **Sec. 119.** CONDITIONAL EFFECT OF AND CONDITIONAL EFFECTIVE DATE OF CERTAIN RESTRICTIONS AND REQUIREMENTS RELATING TO CERTAIN LOBBYISTS. (a) Section 13 of this Act, amending AS 24.45.041(b), sec. 30 of this Act, amending AS 24.60.070(d), which is enacted in sec. 29 of this Act, sec. 74 of this Act, amending AS 39.50.030(f), which is enacted in sec. 73 of this Act, and sec. 116 of this Act, repealing AS 24.45.165, take effect only if

(1) a court enters a final judgment that AS 24.45.165, enacted by sec. 14 of this Act, prohibiting spouses and spousal equivalents of certain elected officials from engaging in certain lobbying violates the state or federal constitution; and

(2) either the time for appeal of that judgment expires or, if an appeal is taken, the court enters a final order on appeal that AS 24.45.165, enacted by sec. 14 of this Act, violates the state or federal constitution.

(b) If secs. 13, 30, 74, and 116 of this Act take effect under (a) of this section, they take effect on the later of (1) the date a court enters a final judgment that AS 24.45.165, enacted by sec. 14 of this Act, is unconstitutional, and (2) the expiration of any time for appeal of that judgment or upon entry of a final order on the appeal that AS 24.45.165, enacted by sec. 14 of this Act, is unconstitutional. The attorney general shall promptly notify the lieutenant governor and the revisor of statutes of a judgment described in this section."

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 59, line 24

Page 59, line 31

1 Page 60, line 4

2 Page 60, line 6

3 Page 60, line 7

4 Page 60, line 9

Left on the Table

0-LS0074\L.8
Cramer
4/8/98

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE RYAN

TO: HCS CSSB 105( ), Draft Version "L"

Page 37, following line 19:

Insert a new bill section to read:

"* **Sec. 63.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.975. Liability for filing a frivolous legislative ethics complaint. A person who files a complaint against a legislator under AS 24.60.170 AND, that the complaint is frivolous or that the committee lacks jurisdiction to consider it is liable to the subject of the complaint if the complaint is dismissed under AS 24.60.170(c) as frivolous or because the committee's lack of jurisdiction is apparent on the face of the complaint. The subject of the complaint may recover the greater of actual damages or $5,000 from the person who filed the complaint."

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 59, line 24
Page 59, line 31
Page 60, line 4
Page 60, line 6
Page 60, line 7
Page 60, line 9

Failed 4-2

Official Business

Alaska State Legislature

Senate

Rules Committee

State Capitol
Juneau, AK. 99801-1182

MEMORANDVM.

TO: Representative James, Chairman
House State Affairs Committee

FROM: Benjamin Brown, Legislative Aide to Senator Kelly

DATE: 4 April 1998

IN RE: revised sectional analysis of proposed HCS for CSSB 105 (StAff)
(WORK DRAUGHT No. 0-LS0074\L dated 2 April '98)

"An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state or municipal office; relating to the conduct of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date. (N.B. The title has changed with the addition of the word 'municipal' in the second clause. This change requires no vote due to a draughting oversight before the bill passed the Senate. (Refer to Attachment 1 - Cramer memo of 26 February '98.)

This memorandum is meant to summarise and analyse each section of the proposed House State Affairs Committee Substitute for SB 105 (hereinafter referred to as the HCS). Please note that a sectional analysis is not generally considered to be the most authoritative interpretation of a bill; the bill itself is the best statement of its specific effects.

SECTION 1: AS 15.13.060.(c) TREASURERS FOR JUDICIAL RETENTION CAMPAIGNS. This section amends the State Elections Act to require candidates running to retain a judicial appointment to disclose the name

and address of a campaign treasurer with the Alaska Public Offices Commission (APOC). It was added at the recommendation of the draughter.

SECTION 2: AS 15.13.072.(d) RESTRICTIONS ON SOLICITATION AND ACCEPTANCE OF CONTRIBUTIONS. This section amends the State Elections Act to prohibit candidates for election or reelection to state office from *soliciting or accepting* a campaign contribution while the legislature is in regular or special session, as amended on the Senate floor. A further change from the State Affairs Subcommittee incorporates a 90 day exemption to allow candidates to raise money in the period immediately preceding an election.

SECTION 3: AS 15.13.074(c) PROHIBITED CONTRIBUTIONS prohibits a person or group from *contributing* to a candidate for state office while the legislature is convened in its regular session, as amended on the Senate floor. It deletes a reference to contributions to the governor or lieutenant-governor, made unnecessary by the incorporation of the term state office in the State Elections Act. A further change from the House State Affairs Subcommittee (hereinafter referred to as 'the Subcommittee') allows fundraising from the 1st of June in the year preceding the year in which a candidate will participate in an election.

SECTION 4: AS 15.13.074(h) PRIOR YEAR FUNDRAISING BY GOVERNOR AND LIEUTENANT-GOVERNOR. This section changes references to the allowable dates for fundraising in the section of the State Elections Act dealing with the relationship between groups and elected officials in the executive branch.

SECTION 5: AS 15.13.074(i) 90 DAY EXEMPTION FOR CONTRIBUTIONS TO CANDIDATES FOR STATE OFFICE. This section adds a new section to the State Elections Act which explicitly allows contributions to be made in the 90 days preceding an election in which some one is a candidate.

SECTION 6: AS 15.13.110(a) POET ACCOUNT REFERENCE IN REPORTING REQUIREMENTS. This section amends the name of the account a successful legislative candidate can establish with unused campaign assets under AS 15.13.116.

SECTION 7: AS 15.13.116(a) DISBURSEMENT OF CAMPAIGN ASSETS This section allows a transfer of unused campaign contributions to a legislative office account reserve, in accordance with the new subsection which follows, as amended on the Senate floor. Section 113 and 114 allow this section and the Section 8 to take effect immediately and to be retroactive to the 31st of

December 31 1996. A further change from the Subcommittee amends the name of the account a successful legislative candidate can establish with unused campaign assets under AS 15.13.116.

SECTION 8: AS 15.13.116(d) DISBURSEMENT OF CAMPAIGN ASSETS This section adds a new subsection (d) which allows a legislator to transfer up to $5000 per year from a POET reserve to a POET account. It further allows a transfer from unused campaign assets of up to $20,000 for senators and $10,000 for representatives to a POET reserve. (AS 15.13.116 [9][D] currently allows a one time transfer of funds to an office account at $5000 multiplied by the number of years in the term.) At the end of the legislator's term, a balance in POET reserve must be disposed of as provided in (a)(3) or (a)(6) of this section, which includes charitable donations and repaying contributors. Sections 113 and 114 allow this section and Section 7 to take effect immediately and to be retroactive to the 31st of December 1996.

SECTION 9: AS 15.13.400(12) NEW DEFINITION This section adds 'state office' to the list of defined terms in the State Elections Law, relating to changes made in Sections 2 and 3. State office is defined as office of governor, lieutenant-governor, member of the legislature, or similar state office.

SECTION 10: AS 23.20.526(d) EXCLUSIONS FROM DEFINITION OF EMPLOYMENT This section makes a conforming amendment based on changes in this bill to the executive branch employment security statutes to ensure that the people who are not eligible for unemployment compensation remain ineligible. (Refer to Attachment 2 - Cramer memo of 13 February '98.)

SECTION 11: AS 24.25.010(e) SUBPOENA POWERS: The Legislative Ethics Code specifically grants the ethics committee the authority to subpoena witnesses under AS 24.60.150(b)(2). The statute to be amended by this bill sets out general authority for legislative subpoenas and includes a reference requiring the concurrence of the Senate President or Speaker of the House. Subsection (e) currently provides that the section does not apply to the Legislative Council or the Legislative Budget & Audit Committee. Like the ethics committee, both Leg Council and LB&A are permanent interim committees and both have express grants of authority to subpoena witnesses. It is the opinion of the ethics committee, and the committee's legal counsel, that not including the ethics committee in the AS 24.25.010(e) exemption was an oversight, given the specific grant of authority to subpoena witnesses in the ethics code itself.

SECTION 12: AS 24.45.041(b) REPORTING SPOUSAL RELATIONSHIPS BY LOBBYISTS This section adds a new provision to the legislative lobbying law requiring lobbyists to disclose spousal relationships with

legislators, legislative employees, and some public officials. At the recommendation of the draughter a definition of spousal equivalent is cited in the HCS.

SECTION 13: AS 24.45.171(12) DEFINITIONS Adds 'upper level employee' to the definition of public official or public officer in relation to the legislative lobbying law, and specifies that judicial and municipal officers are not included in the definition.

SECTION 14: AS 24.60.030(a) RESTRICTION ON LEGISLATOR AND LEGISLATIVE EMPLOYEE BEHAVIOR This section amends the Legislative Ethics Code to improve the restrictions on behavior by persons in the legislative branch. It specifically disallows the use of public resources for nonlegislative purposes or for partisan political purposes. It allows limited use of some resources if the coast in nominal or re-embursement is made, and makes facsimile use legally the same as telephone use. Section 14 allows Leg Council to designate space for health and fitness purposes to allow the Capitol School gym to be designated for legislative use. It also allows legislators to use their private offices in the Capitol for personal or political purposes if there is no cost and the use doesn't interfere with performance of public duties. Finally, Section 14 permits storing campaign records in a legislative office.

SECTION 15: AS 24.60.030(c) MASS MAILING This extends the current provision of the Legislative Ethics Code which prohibits use of state funds to print or distribute a mass mailing from or about a legislator who is a candidate for state office during the period 90 days before the primary and ending the day after the general election. The HCS prohibits such mailings by legislators and legislative employees who are candidates for federal or municipal office, or to telephone and electric cooperative boards. While other sections of the ethics code clearly prohibit use of state funds for campaign purposes, this section highlights what are considered to be a critical periods and provides a guideline for those who issue mailings during those times. This prohibition does not apply to a legislator's LAA office allowance.

SECTION 16: AS 24.60.030(d) CAMPAIGN LITERATURE This section adds fundraising notices to the list of current prohibitions on distributing or posting campaign literature in state facilities. The prohibitions currently apply only to legislators or someone acting on behalf of a legislator while the HCS expands that prohibition to include legislative employees. It allows a legislator to post materials related to a past election in his or her private legislative office.

SECTION 17: AS 24.60.030(f) BOARD MEMBERSHIP This section changes the board membership disclosure period from 30 days to 60 days and would

require the committee to publish the disclosures in the journal. It allows exempts legislators and legislative employees whose appointments are already published in the journal from disclosing redundantly.

SECTION 18: AS 24.60.030(g) CONFLICTS OF INTERESTS This section changes the *prohibition* on taking legislative, administrative or political action to a *disclosure requirement* prior to taking action if one has any of the 'interests' defined, which are expanded beyond equity or ownership interest to include employment, contracts, and board memberships. It also sets out that the disclosure is to be publicly announced if the action is being taken in a committee meeting or on the floor. Actions being taken other than in committee or on the floor (E.G. drafting a bill or testifying in an administrative hearing) would be disclosed in writing to the ethics committee within seven days. Disclosures, whether oral or written, must include the nature of the financial interest and a short description of how the action affects the interest.

SECTION 19: AS 24.60.030 GOVERNMENT TIME This section adds a new subsection to the restrictions on legislative behavior, instructing the ethics committee, when determining in a complaint proceeding whether an employee was performing a task on government time, to consider the schedule set by the employee's supervisor. It requires an employee to take leave for the period of time he or she is engaged in political campaign activities, other than incidental campaign activities. Political campaign activities are permissible on government time if the activities are part of the normal legislative duties, including answering phone calls and handling incoming correspondence.

SECTION 20: AS 24.60.031(a) FUNDRAISING DURING SESSION This section clarifies that the restrictions on fundraising during session are in effect on a day when either house is in regular or special session. A legislator or legislative employee would not be able to solicit or accept contributions to state office campaigns during session, could not accept money from events held for state office political purposes during session, and could not expend money for state office campaigns if the money was raised during session. A change from the Subcommittee added an exemption for contributions made in the 90 days preceding an election in which some one is a legislator is a candidate.

SECTION 21: AS 24.60.039 EMPLOYMENT DISCRIMINATION This section reflects the ethics committee's shared jurisdiction with the State Commission for Human Rights on complaints filed against a legislator or legislative employee concerning violations of the employment discrimination statute, AS 18.80.220. Current law requires the committee to deal with a complaint alleging a violation of that statute in the same manner they would deal with any other complaint. The proposed language gives the committee the

option to refer those who file a complaint of employment discrimination to the human rights commission and defer consideration of the complaint until after the commission has completed its proceedings.

SECTION 22: AS 24.60.040(a) CONTRACTS AND LEASES This section broadens the contract and lease criteria beyond those currently in the Legislative Ethics Code, which restricts a legislator or legislative employee from having a financial interest in a state contract or lease unless:

-it is let through competitive bidding in accordance with the Procurement Code or
-it is worth $1000 or less annually or
-it is standardized, under publicly established guidelines and generally available to the public at large.

The new language allows participation in contracts or leases that are let under AS 36.30, the State Procurement Code, which addresses a variety of award methods, including sole-source. It also allows participation in contracts and lease that are let under similar procedures to those in AS 36.30 which addresses such agencies as the University, the Railroad and the Legislature. The new language sets a new reporting threshold at $5000, changed from the previous $1000. It also refines the family member disclosure requirement to make a legislator or legislative employee who knows, or reasonably ought to know, that a family member is participating in a state contract or lease to disclose. The relaxation of prohibitions is balanced by the new disclosure requirement. Currently a legislator or legislative employee does not disclose to the ethics committee participation in contracts or leases permitted by the code. The proposed language requires disclosure by the legislator, legislative employee, and family members of participation in any state contract or lease over $5000 annually.

SECTION 23: AS 24.60.040(c) CONTRACTS AND LEASES This section adds a new subsection that clarifies that a grant, contract, or lease that falls under one of the state loan or benefit programs in AS 24.60.050, is not subject to this section. The ethics committee publishes a list of programs that do not meet the criteria in AS 24.60.050 and requires disclosure of participation in any of the listed programs. It also clarifies that for the purposes of complying with the ethics code, a grant that results in a contract is subject to this section.

SECTION 24: AS 24.60.050(c) REFRAIN FROM PUBLICATION This section allows the ethics committee to protect an individual's right to privacy concerning participation in state loan and benefit programs and sets a confirming disclosure date. This follows an advisory opinion issued by the committee in 1994 explaining that it chose to not publish the name of a person

who received a benefit from the Violent Crimes Compensation Board, but did publish that a person covered by the ethics code had received a benefit.

SECTION 25: AS 24.60.060(b) PROTECTIVE ORDER This section adds a new subsection that set out that the subject of an ethics complaint would be in violation of the code for releasing information deemed confidential under a protective order issued by the committee. This change would allow the committee to broaden discovery by the subject while still protecting any innocent, or 'not involved' parties.

SECTION 26: AS 24.60.070(b) DEADLINE FOR CLOSE ECONOMIC ASSOCIATION DISCLOSURE This section adds a deadline to the current code requiring disclosure of close economic associations citing AS 24.60.105. The 15th of February deadline is in line with others and the 60 day disclosure for new associations matches the new language for disclosures throughout the bill.

SECTION 27: AS 24.60.070 SPOUSAL/SPOUSAL EQUIVALENT LOBBYIST DISCLOSURE This section adds a new subsection which requires legislators and legislative employees who are married to or who are the spousal equivalents of a lobbyist, to disclose as a close economic association, the name and address of each of the lobbyist's clients, and the total monetary value received from each client annually. Changes to the list would have to be reported within 48 hours.

SECTION 28: AS 24.60.080(a) GIFTS This section increases the gift limit in the Legislative Ethics Code from $100 to $250 annually. It also clarifies that those gifts that come under subsection (c) (hospitality, discounts, food shared as a cultural norm, travel or hospitality for obtaining information on legislative matters, gifts from immediate family, and gifts not connected to legislative status) are exceptions to the general prohibition on accepting gifts. Gifts on behalf of a charitable organization (new subsection [h]) are exempted from both accepting and soliciting prohibitions. New language has been added that restricts legislators and legislative employees from accepting anything of monetary value other than food or beverage for immediate consumption from a lobbyist during session.

SECTION 29: AS 24.60.080(c) GIFT EXEMPTIONS This section clarifies that a stay in a vacation home located outside the state is not an exempted gift. By amending sub-paragraph (2)(B) it would allow legislators and legislative employees to accept discounts while on state business if the discount benefits the state. Paragraph (7) allows legislators and personal staff of legislators, but not other legislative employees, to accept discounts and welcoming gifts in the capital city during session.

SECTION 30: AS 24.60.080(d) GIFT REPORTING This section changes gift references to correspond with those made in previous sections (I.E. the $250 limit). It changes the reporting date for gifts not related to legislative status to the 15th of February deadline. If mandates forwarding of gift disclosure to APOC by the ethics committee. Currently, a legislator or legislative employee who receives a gift of over $100 not related to legislative status is required to report, confidentially, the name of donor and description of the gift received under this category. If the gift has a value of over $250, the actual value must also be reported. The new language requires reporting, confidentially, only the name of donor and description of gift for all gifts over $250 not related to legislative status. Changes made by Sections 57 through remove APOC's responsibility to deal with reports of gifts received by legislators and legislative directors. This will ease confusion over what is reported to whom. Under the proposed changes, all gifts would be reported to the ethics committee, and copies of the non-confidential gift disclosures forwarded to APOC.

SECTION 31: AS 24.60.080(e) LOW BUDGET CAMPAIGNS This section makes a technical change in response to the new campaign finance reform law, to allow certain contributions to 'low budget' campaigns to fall within the contribution definition.

SECTION 32: AS 24.60.080(f) GOVERNMENT GIFTS This section allows acceptance of gift from a foreign government, the U.S. government, another state government, or a municipal government on behalf of the Legislature. The gift must be delivered to Leg Council within 60 days. This bill increases the threshold to $250 to correspond with other changes relating to gifts.

SECTION 33: AS 24.60.080(g) FAMILY This section defines the terms in the immediate family and family member to includes cohabitators, when used in relation to gifts received from immediate family and the new subsections in AS 24.60.080: inheritance from a family member (i) or gifts received by a family member (k).

SECTION 30: AS 24.60.080 NEW GIFTS EXEMPTIONS This section adds new subsections to the exemptions on the ban on receiving gifts.

New subsection (h) permits soliciting and accepting gifts on behalf of charitable organizations, which is in accordance with an advisory opinion issued by the ethics committee.

New subsection (i) requires reporting of receipt, but not value of, an inheritance from a person other than a family member as current statute does not address inheritance.

New subsection (j) sets out that gifts of volunteer services for legislative purposes may be accepted by a legislator, legislative committee or legislative agency as a gift to the state, so long as the person donating the services is not paid by another source. It allows a legislator, legislative committee or legislative agency to accept a UA Intern or JTPA trainee as well as any other educational trainees the committee approves but to maintain confidentiality, the ethics committee is not permitted to accept volunteer services. This subsection also requires volunteers, interns, and educational trainees to comply generally with the Legislative Ethics Code, with the exceptions of the following sections: contracts and leases, close economic associations, nepotism or representation before state agencies. The nepotism exemption allows family members to volunteer their time to legislative offices.

New subsection (k) specifically addresses that gifts from another source, to a family member or spousal equivalent of a legislator or legislative employee fall within the restrictions and reporting requirements. It requires disclosure by a legislator or legislative employee who knows, or reasonably ought to know, that a family member has received a gift because of the family member's connection to the legislator or legislative employee. If the gift was given directly to the legislator or employee and if it would have to be reported by the legislator or employee, then the same gift, if the gift was given to a family member because of his or her connection to a legislator or legislative employee, would require disclosure. Gifts of travel for matters of legislative concern given to allow a spouse to travel with a legislator, would have to be reported. The same holds true for gifts that legislators or legislative employees would be prohibited from accepting, that are received by family members. For example, gift of over $250 given to the spouse of a legislator, primarily because of the connection to the legislator, would have to be reported. The reasonably ought to know standard reduces the burden on those covered by the Legislative Ethics Code to know of gifts provided to family members with whom there is little or no contact.

New subsection (l) sets out that the value of the gift is fair market value, to the extent that fair market value can be determined.

SECTION 35: AS 24.60.085(a) EARNED INCOME AND HONORARIA
The amendments in this section would allow legislators and legislative employees to accept compensation that is less than fees generally charged, in effect of this change allowing an attorney to do pro bono work or an engineer to charge a reduced rate for review of plans for a non-profit organization.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

AH 1

MEMORANDUM February 26, 1998

SUBJECT: Title of CSSB 105(FIN) am (Legislative and Executive branch ethics and campaign finance)

TO: Senator Tim Kelly
Attn: Ben Brown

FROM: Teresa B. Cramer TBC
Legislative Counsel

You have asked for a memorandum concerning whether a resolution is needed to waive application of the Uniform Rules for a title amendment to the campaign finance and ethics bill referenced above. The title as passed by the Senate reads:

> "An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state office; relating to the conduct and regulation of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

As passed by the Senate, the bill contains an amendment to AS 15.13.072(d) which affects municipal elections as well as elections for state office (for the governor, lieutenant governor, and members of the legislature) but there was a drafting error and the amendment inadvertently failed to amend the bill title.[1] To correct this oversight, the title should be amended. One possibility is to amend the second clause of the title to read: "relating to campaign finances for candidates for state **or municipal** office."

---

[1] Existing law prohibits a legislator or legislative employee who is a candidate for any office from soliciting and accepting contributions during a legislative session. The amendment to AS 15.13.072(d) in the bill prohibits all candidates who are running for election to state office from soliciting contributions during a legislative session. Current law prohibits legislators and legislative employees who are running for municipal office from soliciting or accepting contributions during a session but under the bill they would be permitted to do so.

Although the bill is in the second house, it is my opinion that the title change described above does not require a concurrent resolution waiving the Uniform Rules. While Uniform Rule 24(c) prohibits a committee of the second house from reporting out a committee substitute or amendment that requires a title change, other than a clerical or technical one, the title change here is not "required" by an amendment or change in the second house. Rather, it is required to correct the defective title in bill as passed by the first house. Accordingly, our office has in the past considered such changes to be "technical." The requirements of Uniform Rules 35 and 41(b) are consistent with Uniform Rule 24, stating that motions or propositions that require a change in the title of the bill as enacted in the house of origin, other than a clerical or technical change, are out of order. Of course, the Senate will still have the right to consider whether to concur in any changes to the bill made by the House, including a change to the title.

Please let me know if you have additional questions on this matter.

TC:jdr
98-118.jdr

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

HB 2

MEMORANDUM February 13, 1998

SUBJECT: Explanation of the amendment to Unemployment Compensation laws contained in the Legislative and Executive Branch Ethics bill (CSSB 105(FIN) am)

TO: Senator Tim Kelly
Attn: Ben Brown

FROM: Teresa B. Cramer TBC
Legislative Counsel

You have asked for an explanation of sec. 6 of the above-referenced bill. Section 6 amends AS 23.20.526(d), which sets out certain kinds of work that will not be considered "employment" for purposes of the state's unemployment compensation laws. In paragraph (8) of that subsection, existing law provides that employment by a state or a political subdivision of the state does not count as employment if the service is performed by an individual in the exercise of duties as a "**public official" as defined in AS 39.50.200(a).**" Section 70 of CSSB 105(FIN) am amends the definition of "public official" by adding executive branch employees who are in the exempt or partially exempt service who are compensated at Range 19 or better unless they are members of a collective bargaining unit. This amendment to AS 39.50.200 was intended to make these executive branch employees file financial disclosure statements. It was not intended to make them ineligible for unemployment compensation benefits. In order to avoid having them excluded from unemployment compensation benefits under AS 23.20.526(8), that paragraph was rewritten. Instead of relying on the definition of "public official" in AS 39.50.200(a), it now lists all of the officials who were included in the definition before the addition of Range 19-plus executive branch employees.

I hope this clarifies the purpose for this bill section. Let me know if you have additional questions about it.

TC:jdr
98-087.jdr

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE
Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
Internet e-mail address:
legaudit@legis.state.ak.us

MEMORANDUM

TO: Honorable Senator Tim Kelly
Honorable Representative Jeannette James

FROM: Pat Davidson
Legislative Auditor

DATE: April 3, 1998

RE: CSSB 105 amendment proposal

At the April 1, 1998 meeting of the Legislative Budget and Audit Committee, Senator Pearce requested that we offer an amendment to CSSB105.

Since our report from which this amendment is derived is in confidential preliminary status we cannot provide the specific details for this suggested amendment. However, the amendment in general, provides that misuse of state fu ds by a state employee can be a matter of public record.

We are presenting for your consideration an amendment to AS 39.25.080, which may fittingly be incorporated into CSSB 105. Our proposal reads:

> (c) The confidentiality provided to personnel actions under this section cannot be used to limit the disclosure of information regarding the use of state funds.

We feel that the above amendment would achieve the rationale behind the personnel records' confidentiality statute, as well as better serve the concept of public disclosure and accountability.

Should you have any questions on this, please do not hesitate to contact me.

cc: Senator Drue Pearce

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

Rules Committee

COMMITTEE SUBSTITUTE FOR SENATE BILL 105 (Fin) am
SPONSOR STATEMENT

Committee Substitute for Senate Bill 105 (Fin) am makes improvements to Alaska's campaign finance, legislative ethics, and executive branch ethics codes. The original version was introduced by the Senate Rules Committee as requested by the Select Committee on Legislative Ethics. Last session SB 105 passed the Senate on a vote of 17 - 2, and the bill is now before the House State Affairs Committee. This bill addresses a variety of concerns identified by the Select Committee on Legislative Ethics over the past few years. SB 105 also raises ethical standards for the entire executive branch, and will require the governor, the cabinet, and other upper-level public employees to meet many of the same high disclosure standards already in place for the Legislature.

SB 105 will help the public and those covered by the legislative and executive branch ethics codes to understand the law better, and will clarify exactly what conduct is expected in the service the State of Alaska. The Legislature began to operate under a new ethics code five years ago, and this law has worked as intended. Some ambiguities, however, have made compliance with and enforcement of the law more difficult than it needs to be. SB 105 makes several targeted changes to AS 24.60, the legislative ethics code.

The Legislature answers to the Select Committee on Legislative Ethics, made up of five public members and four members from the Legislature. SB 105 transfers oversight authority for executive branch ethics from the politically-appointed Attorney-General to the governor-appointed and legislatively-confirmed public members of the State Personnel Board. The executive branch will henceforward answer to this independent public group.

The executive branch eth..s act was passed in the mid-80s in response to a perceived lack of ethical standards in state government. Oversight authority for executive branch ethics was placed with the Attorney-General, and the Department of Law has since run executive branch ethics. The relatively simple language of the executive branch ethics act has been interpreted to yield a body of precedent that currently governs executive branch ethics. In comparison to the legislative ethics code, the executive branch act is not as specific as to sorts of prohibited activity. Perhaps most notably absent is an explicit ban on political or campaign activity. SB 105 takes several provisions

of the legislative ethics act that belong in the executive act, adding them as standard of conduct for all public officers (public employees and board/ commission members). The intent is to take the parts of the executive branch ethics act that have worked, and build on their foundation with some of the stronger points of the legislative law. The bill does, however, take into account the difference between the two branches or government.

In addition to improving the executive branch ethics act, SB 105 requires the governor, the cabinet, and other upper-level public employees to disclose more information about economic interests, receipt of gifts, and conflicts of interest. It also expands disclosure requirements in the legislative branch to include staff other than directors. 'Upper-level' legislative and executive branch employees (those paid at range 19 or above) will have to disclose annually in accordance with standards already in place for the Legislature. Gift and conflict of interest disclosures for executive branch employees will continue to go to 'designated ethics supervisors' as they currently do, but for upper-level employees, these documents will also be forwarded to the Personnel Board for public availability. Gift and conflict of interest disclosures for legislative employees will continue to go to the Ethics Committee. Annual financial disclosure forms for both branches of government will go to APOC.

Other changes made by *CSSB 105 (Fin) am* to Titles 15, 24, and 39 include:

- a new definition in the elections law (AS 15.13) "state office" (governor, lieutenant-governor, legislator, and constitutional convention delegate) and imposition of a total ban on fund-raising for state office campaigns during legislative sessions

- a prohibition on the practice of what is known as 'spousal lobbying' which includes lobbying activity by legislators' spouses and spousal equivalents

- new disclosure requirements on lobbying activity by spouses of legislative employees or upper-level public officers

- clarification of many provisions in both the legislative and executive branch ethics codes, such as the definition of 'immediate family' for disclosure, and the Ethics Committee's right to subpœna independently

The 20th Alaska Legislature will maintain its commitment to ensuring a high level of ethical behavior, not only in the legislative branch, but consistently throughout state government, by passing *CSSB105 (Fin) am* this session.

1/30/98 Mtg Re SB105 2:00

Neil Slotnik — Dept of Law
Crystal Smith — "
Christie Sibbles
Bea Beason
Barbara Cotten
Patrick Flynn
Lenny Cranmer - Leg. Legal
Susie Barnett on Conf. phone, Leg Ethics Comm.

(We all agree the goal is to apply equal standards to all branches—

Disagreement is how to get there.)

2/2/98 Mtg - Above appl Plus
→ Personnel Director Mike McMullen
→ Asst Daniella Lopez

9:30 Mon here.

Amendments to CSSB 105 (FIN)am

Page 57, line 12

after "shall" insert "in its discretion determine to conduct a hearing or to".

Page 57, after line 27

insert a new bill sections to read

Sec. 107. AS 39.52.360 is amended by adding a new subsection to read

"(i) If the personnel board has determined to conduct the hearing itself under AS 39.52.350(c), references in this section to the hearing officer shall mean the personnel board."

Sec. 108. AS 39.52.370(a) is amended to read

"Within 10 days after receipt of the hearing [OFFICER'S] report, either party may protest the [OFFICER'S] finding of fact, conclusions of law, and recommendation, and, if a protest is filed, shall serve a copy on the other party. Oral argument before the personnel board must be provided only if requested by either party. The board chair shall set the deadline for submission of requests for oral argument, and set the dates for submission of briefs and oral argument before the board, if requested."

Renumber remaining sections accordingly.

(from Mike)

WORK DRAFT WORK DRAFT WORK DRAFT

Susie 258-2106

From Rep Sletnik

0-LS1208\B
Cramer
12/3/97

_____ BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE _____ RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

"An Act relating to signed statements under the Executive Branch Ethics Act."

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

* Section 1. AS 39.52 is amended by adding a new section to article 3 to read:

Sec. 39.52.270. Disclosure statements. (a) A public officer required to file a disclosure statement under this chapter shall meet the requirements of this subsection in making the disclosure. When the public officer files a disclosure statement under this chapter, the public officer signing the disclosure shall certify that, to the best of the public officer's knowledge, the statement is true, correct, and complete. The disclosure must state that, in addition to any other penalty or punishment that may apply, a person who submits a false statement that the person does not believe to be true is punishable under AS 11.56.200 - 11.56.240.

(b) A designated supervisor who receives a disclosure statement under AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that there is a possibility that the activity or situation reported in a disclosure statement filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the

designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240. Failure of the designated supervisor to proceed under AS 39.52.210 - 39.52.240 does not relieve the employee of the employee's obligations under those statutes.

(c) In this section, "disclosure statement" means a report or written notice filed under AS 39.52.110 - 39.52.220.

* **Sec. 2.** AS 39.52.350(b) is amended to read:

(b) The subject of the accusation shall file an answer with the attorney general within 20 days after service of the accusation, or at a later time specified by the attorney general. **The answer must be signed under oath.** If the subject of the accusation fails to timely answer, the allegations are considered admitted.

Overview of the Executive Branch Ethics Act

SCOPE OF THE CODE

- The Ethics Act requires a high moral and ethical standard for public officers.
- The Act does not proscribe conflicts that are insignificant or conjectural.

MISUSE OF OFFICIAL POSITION

- A public officer may not use or attempt to use an official position for personal gain. *Use of state time or equipment to benefit a personal or financial interest is prohibited. You may be required to recuse yourself from certain matters or to divest yourself of certain financial interests if you have a conflict of interest.*
- A public officer may not intentionally secure or grant unwarranted benefits or treatment for any person.
- A public officer may not take official action that is based on motivation other than the best interest of the state.
- "Financial interest" includes a professional or private relationship of an officer or immediate family member from which a person receives a financial benefit.
- "Personal interest" includes an interest held or involvement by an officer or the officer's immediate family member in any organization, including nonprofit and political, from which a person or organization receives a benefit.

GIFTS

- A public officer may not solicit or receive gifts under circumstances in which it could reasonably be inferred that the gift is intended to influence the performance of official duties.
- A gift worth less than $50 is presumably not intended to influence the public officer.

OUTSIDE EMPLOYMENT

- A public officer may not pursue outside employment--including volunteer work--that is incompatible with the officer's official duties.
- After leaving state service, for two years a former public officer may not accept private employment on any matter on which the officer took official action.

DISCLOSURES

- A public officer must disclose receipt of all gifts worth more than $50 when it could be inferred that the gift was intended to influence the officer in performance of official duties.
- A public officer must disclose all potential conflicts. *If the officer's designated supervisor determines that there will be an actual conflict, the officer's duties may be reassigned (for commissioners, this will usually mean recusal) or the supervisor may order divestiture of financial interests.*

- A public officer must disclose all outside employment for compensation.
- A public officer must disclose an interest--including the interests of family members--in a state grant, contract, lease, or loan executed by the officer's administrative agency.

DESIGNATED ETHICS SUPERVISORS

- The commissioner of a department (or designee) is the designated ethics supervisor for employees of the department
- The governor (or designee) is the designated ethics supervisor for commissioners and employees in the governor's & lt. governor's office.
- The attorney general (or designee) is the designated ethics supervisor for the governor and lt. governor

STATE INFORMATION

- A current or former public officer may not use or disclose state information that has not been disseminated to the public--i.e., published.
- Disclosure of confidential information is a violation of the ethics act.

ADVISORY OPINIONS

- Designated ethics supervisors may request written ethics opinions from the attorney general. Commissioners and designated ethics supervisors are encouraged to seek informal oral advice

COMPLAINTS

- If an action has occurred that may be in violation of the act, a complaint should be filed with the attorney general.
- The attorney general may resolve or dismiss a complaint or may bring an action before the personnel board. Penalties for a violation may include dismissal, repayment of ill-gotten gains, or fines.

Department of Law Contact: Neil Slotnick
Assistant Attorney General--Juneau
465-6710

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

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March 1, 1995

Gary Bader
Chair, Personnel Board
P.O. Box 110201
Juneau, Alaska 998111-0201

Re: Dismissal of Ethics Act accusation concerning
Brenda Wilcox
AGO file # 663-95-0186

Dear Mr. Bader,

The Attorney General has approved a stipulation of dismissal and personal assurance of compliance in the Ethics Act accusation filed against Brenda Wilcox. This letter explains the reasons for this action.

As you know, the administrative process for investigation of potential violations of the Ethics Act begins with filing of a complaint. The subject of the complaint is required to respond to the allegations contained in the complaint. Frequently, the subject of the complaint, the attorney general, and the subject's designated ethics supervisor will resolve the matter through corrective or preventive action that obviates the need to proceed to the next step in the administrative process, the accusation.

In this case, the office of the Attorney General had served an Ethics Act complaint on a state employee, Ms. Wilcox. The complaint alleged that Ms. Wilcox had used state time and equipment for campaign-related purposes. Significantly, in her response to the complaint, Ms. Wilcox did not deny that she had used state time and equipment for campaign-related purposes, but did deny that a violation had occurred. This office determined that this response constituted probable cause that Ms. Wilcox violated the Act. Further, based on this response, we determined that corrective or preventive action under AS 39.52.330 was not feasible. Accordingly, this office filed an accusation against Ms. Wilcox without attempting to negotiate a resolution to the matter.

Following the filing of the accusation, however, this office received new information that indicated that this case was appropriate for settlement and that formal proceedings before the Personnel Board were not necessary. First, after the filing of the accusation, Ms. Wilcox resigned her state employment. Although that fact alone would not justify dismissal of formal proceedings, it is a factor that should be considered in determining whether the burden of formal proceedings is appropriate.

Second, Ms. Wilcox disclosed several facts that revealed that her violation of the Ethics Act was not as extensive as we originally believed. For example, Ms. Wilcox disclosed that she had submitted leave slips for the time when she had engaged in campaign-related activities during state working hours. She further explained, however, that her supervisor had torn up the leave slips because Ms. Wilcox worked in excess of the required 37.5 hours per week. Based on this information, it would appear that Ms. Wilcox did not use state time for campaign-related purposes.

Ms. Wilcox also revealed that her use of state equipment for campaign purposes was limited to a few instances and that her supervisors had knowledge of this use. Although this does not excuse the violation, it does, in our view, mitigate the violation and makes this case amenable to settlement. Ms. Wilcox also informed us that she would sign a statement agreeing that use of state time and equipment for campaign-related purposes constituted a violation of the Ethics Act and that she would personally assure the state that she would not use state time or equipment for campaign purposes if she became employed by the state again. Further, she agreed to pay a $250 fine.

After conferring with Ms. Wilcox's designated ethics supervisor, Mike Nizich, the Attorney General determined that continued expenditure of state resources on this case was not in the public interest. The Attorney General has plenary authority over litigation in which the state is a party, and may dismiss litigation when he determines that it is not in the public interest. *Public Defender Agency v. Superior Court, Third Judicial Dist.*, 534 P.2d 947, 950 (Alaska 1975). Accordingly, the Attorney General has dismissed this case.

I hope this letter satisfactorily explains the reasons for this action. If you have any questions, I will be available to answer them at your March 14 meeting.

Very truly yours,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By: 
Stephen C. Slotnick
Assistant Attorney General

SCS:
Enclosure

BEFORE THE PERSONNEL BOARD

DEPARTMENT OF ADMINISTRATION

STATE OF ALASKA

In the matter of)
)
Brenda Wilcox,)
)
Respondent)
)

STIPULATION TO SETTLEMENT, DISMISSAL AND VOLUNTARY ASSURANCE OF COMPLIANCE

The Attorney General of the State of Alaska, under the authority of AS 39.52.310, and the respondent in this matter, Brenda Wilcox, agree to settle and dismiss the pending accusation filed with the personnel board under the Executive Branch Ethics Act. In agreeing to settle this case, respondent admits no liability, but offers an assurance of voluntary compliance. Terms of settlement are as follows:

1. Respondent will pay the sum of $250.00 to the state.

2. Respondent agrees that the Executive Branch Ethics Act prohibits the use of state time, equipment, property, or other facilities in campaign-related activities.

3. Respondent agrees that she will abide by the provisions of the Executive Branch Ethics Act, or any other applicable state law, if she becomes a public officer of the State of Alaska in the future.

4. By this document, the state dismisses this accusation with prejudice and no further actions against respondent will be undertaken based on any allegations of

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
P.O. BOX 110300, JUNEAU, ALASKA 99811
PHONE 465-3600

campaign-related activities undertaken while a public officer during the year 1994.

Accepted for the State of Alaska

Dated: February 10, 1995

Stephen C. Slotnick
Assistant Attorney General

Dated February 10, 1995

Accepted for the Respondent
Brenda Wilcox

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
P.O. BOX 110300, JUNEAU, ALASKA 99811
PHONE 465-3600

MEMORANDUM

State of Alaska

Department of Law

TO: Commissioner

DATE: March 12, 1996

FILE NO.: 663-96-0272

TELEPHONE NO.: 465-3600

FROM: Douglas D. Gardner DDG
Assistant Attorney General
Human Services Section - Juneau

SUBJECT: Cash award in recognition of superior job performance (Executive Ethics Act; AS 39.52)

Pursuant to AS 39.52, the Alaska Executive Branch Ethics Act ("Act"), you have requested advice regarding whether Mr. A -- a state employee -- may accept a monetary award in recognition of his job performance. In accordance with AS 39.52.240(b), we previously provided you with our initial verbal advice that Mr. A should not accept the award from B.[1] We based that advice on AS 39.52.120(b)(2), which prohibits a state employee from accepting compensation for the performance of official duties from an entity other than the state. This written opinion confirms our initial advice.

BACKGROUND

The following is our understanding of the facts, based on information provided in your memorandum of January 5, 1995.[2]

---

[1] Assistant Attorney General Neil Slotnick provided the initial oral advice confirmed by this opinion.

[2] The information attached to your memorandum of January 5, 1996, includes: (1) two letters dated May 8, 1995, and September 1, 1995; (2) Notice of Award; (3) State of Alaska Position Description Questionnaire (PDQ) dated March 21, 1995. In addition to the above information, on February 9, 1996, Mr. A submitted a copy of the personnel agreement applicable to his position for FY-XX.

1. Mr. A's Job Duties

Mr. A is employed by the State of Alaska. Mr. A's position is funded by an interagency personnel agreement between a department of the State of Alaska and B, an agency of the federal government. Mr. A serves at the pleasure of both agencies. The state pays Mr. A's salary and is later reimbursed by B. B is later reimbursed by C, a private corporation, for work performed by Mr A.

Under the direction of the state and B's on-site officer, Mr. A provides technical assistance regarding policies, procedures, and enforcement of state statutes and safety regulations. These inspections ensure that regulations protecting the safety of the public and employees working on the project are properly observed.

2. The Award

During 1994, Mr. A directed the XYZ safety and inspection project. In recognition of his superior job performance in directing the XYZ program, Mr. A was nominated for a monetary award. As a result, Mr. A was awarded $1,265 by B. This award was based on a percentage of Mr. A's annual salary. Prior to disbursing Mr. A's award, a department of the State of Alaska requested our opinion on whether such an award was prohibited by the Act. Pending the release of this opinion, B has retained possession of Mr. A's award.

DISCUSSION

In our oral advice we advised that Mr. A should not accept the monetary award from B because, under AS 39.52.120(b),

> A public officer may not . . .
>
> (2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state.

AS 39.52.960(7) defines "compensation" to include:

> (7) "compensation" means any money, thing of value, or economic benefit conferred on or received by a person in return for services rendered or to be rendered by the person for another.

The award presented by B to Mr. A is a "bonus" directly correlated to Mr. A's salary and constitutes compensation to him for services rendered. Black's Law Dictionary defines "bonus" as "[a]n addition to salary or wages normally paid for extraordinary work. An inducement to employees to procure efficient and faithful service." Black's Law Dictionary 182(rev. 6th ed. 1990).

We base our finding that this award constitutes compensation for services rendered on the following factors. First, and most significantly, B's "award" or bonus was directly related to the quality and quantity of work performed by Mr. A as part of his official duty as a state employee.

Next, in calculating the award, B multiplied Mr. A's salary for FY-94 ($63,240) by 2 percent, resulting in an award of $1,265. Thus, the "award" was work-related and based on the value of services performed by Mr. A.

As a state employee, Mr. A is prohibited by AS 39.52.120(b) from accepting compensation from B for performance of his official duties. One purpose of AS 39.52.120(b) is to prevent state employees from receiving "double-pay" for performing their normal official duties. *See* 1987 Inf. Op. Att'y Gen. (April 24; 663-96-0389). A second purpose of the Act is to assure the public that state officials are not influenced by remuneration from non-state entities. AS 39.52.010. If Mr. A accepted the monetary award or "bonus" from B, he would be receiving additional payment by a non-state entity for the performance of his official duties. Due to the restriction in AS 39.52.120(b)(4), it is our opinion that Mr. A may not accept B's monetary "award." However, Mr. A may request that B donate the award to a charity. The charity, however, must be an organization in which neither Mr. A "or his immediate family members" hold a membership or other interest. 1991 Inf. Op. Att'y Gen. (July 1; 663-91-0489).

If you have any questions regarding this opinion, please do not hesitate to call.

DDG/bap

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

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February 10, 1997

Gary P. Bader, Chair
Alaska State Personnel Board
c/o Beverly Reaume
M/S 0201
Department of Administration
10th Floor, Alaska State Office Building
Juneau, AK

Re: Dismissal of Ethics Act complaint against Robert Silverman

Dear Mr. Bader:

This letter is to inform you that the Department of Law has stipulated to the dismissal of an Ethics Act complaint filed against Robert Silverman, a former employee of the Department of Education. I am enclosing a copy of the stipulation with this letter. The Accusation, which includes a description of the Ethics Act violations complained of against Mr. Silverman, is on file with the Personnel Board and will be provided to you by Beverly Reaume at your request.

The Accusation arose out of conduct that occurred in 1993 and 1994. Department of Education management discovered irregularities in the travel reimbursement requests made by Mr. Silverman. The irregularities resulted in his personal financial gain. Information about the travel irregularities was turned over to the Alaska State Troopers for investigation and disposition, and on March 8, 1995, Mr. Silverman left state service. Once the criminal investigation had begun, the Attorney General was required to hold in abeyance any further action on the Ethics Act violations because the violations involved the same conduct.

A criminal complaint was filed against Mr. Silverman on November 8, 1996. The Ethics Act Unit in the Department of Law became concerned that the tolling date of the statute of limitations was drawing near and a further delay in the criminal proceeding might preclude action under the Ethics Act. On November 26, 1996, the Attorney General filed an Accusation against

Mr. Silverman with the Personnel Board. A notice of stay accompanied the Accusation, and Mr. Silverman's attorney was notified that no response to the Accusation would be expected pending disposition of the criminal action. In a plea agreement, Mr. Silverman pled guilty to some of the criminal charges and was convicted and sentenced on January 6, 1997. The sentence, in summary, required reimbursement and fines in the approximate amount of $2,500, probation, and community service time. The remaining criminal charges were dismissed.

Three days after the convictions in the criminal case Mr. Silverman's counsel was notified that the stay was lifted and an answer to the Accusation should be filed with the Personnel Board. Settlement negotiations began shortly thereafter. The Department of Law concluded that a resolution of the matter under AS 39.52.330 would be in the public interest. The Department agreed that the case could be settled and the Accusation dismissed if Mr. Silverman would pay $7,226 and admit that he had violated the Ethics Act. The Department of Education concurred that the size of the settlement would have a valuable deterrent effect and was in the public interest. The settlement was agreed to with those understandings. Mr. Silverman has agreed to make periodic payments, the last payment to be made on or before October 15, 1997.

This matter is public and you may discuss it at a public meeting. If you have any questions, please feel free to contact me.

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By: Thomas H. Dahl
Assistant Attorney General

THD:pao

Enclosure

cc: Shirley Holloway, Commissioner
Rick Cross, Deputy Commissioner

IN THE DEPARTMENT OF LAW FOR THE STATE OF ALASKA

In the matter of)
)
Robert Silverman,)
)
Respondent.)
)

STIPULATION TO RESOLUTION AND DISMISSAL OF ETHICS ACT ACCUSATION

Pursuant to AS 39.52.330, Attorney General Bruce Botelho and Respondent Robert Silverman stipulate to dismissal of the November 20, 1996, Ethics Act Accusation filed against Mr. Silverman under the following terms and conditions:

1. Mr. Silverman acknowledges that he has violated the Executive Branch Ethics Act, AS 39.52.

2. In resolution of the Ethics Act violations, Mr. Silverman agrees to pay a fine of $7226.00 to the state, according to the following schedule: $2409 on February 15, 1997; $2409 on June 16, 1997; $2408 on October 15, 1997.

3. The state agrees to dismiss with prejudice the November 20, 1996, Ethics Act Accusation against Mr. Silverman. The state will not pursue any action under the Ethics Act regarding the facts described in the Accusation if Mr. Silverman complies with the terms of this agreement. If Mr. Silverman does not comply with this agreement, the state may pursue an accusation against Mr. Silverman before the Personnel Board related to this matter, within two years from the time it has notice of the breach, regardless of the statute of limitations in AS 39.52.310(h).

4. This document is a public document. A public officer who obtains this document in the course of the officer's official duties may use this document only for legitimate state purposes, and may not make an improper use of this document.

ATTORNEY GENERAL, STATE OF ALASKA
DIMOND COURTHOUSE
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Accepted for the Respondent:

Jon K. Tillinghast
SIMPSON, TILLINGHAST, SORENSEN, & LORENSEN
Attorney for Respondent

DATED: 2/6/97

Accepted for the State:

BRUCE M. BOTELHO
ATTORNEY GENERAL

By:

Stephen C. Slotnick
Assistant Attorney General

DATED: 2/6/97

ATTORNEY GENERAL, STATE OF ALASKA
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Sectional analysis of provisions of CSSB 105 (FIN) am that significantly affect standards of conduct under the Executive Branch Ethics Act

1. **Page 41, lines 26-29; Sec. 71.** Amends AS 39.52.010(a) to make the "appearance of impropriety" a violation of the Executive Branch Ethics Act. This is a complete departure from the existing Executive Branch Ethics Act. Indeed, the legislative history of the Act reveals that one of the main goals of the original legislation was to move away from the unenforceable common law "appearance" standard. *See* Letter from Governor Sheffield to Senate President Bennett at 1 (April 2, 1986) (primary goal of Ethics Act is "replacement of the relatively unknown and unworkable aspects of the common law on conflicts of interest with concrete standards of conduct"). The existing Act forbids a public officer from taking official action on matters where the officer has an *actual* conflict of interest. AS 39.52.120. The regulations adopted under the existing Act specify that an appearance of impropriety does not establish an ethics violation. 9 AAC 52.010.

2. **Pages 42, line 30,--43, line 1; Sec. 74.** This section applies new standards for misuse of official conduct to a select group of executive branch officials called "state officials." Under **Sec. 102**, a state official includes, in general, employees in the exempt or partially exempt service above range 19, and members of boards and commissions. *The new standards do not apply to any state employee in the classified service,* regardless of whether that employee makes discretionary policy decisions. The new standards are stated as being "in addition to" the standards already existing in law. Under the tenets of statutory construction, however, a court will construe the Ethics Act as a whole. *Bonner v. Wichman,* 874 P.2d 949, 957 (Alaska 1994) ("Whenever possible, we construe each part or section of a statute with every other part or section, to produce a harmonious whole."). It will interpret each statute in a manner that avoids rendering a related statute superfluous. *See Rydwell v. Anchorage School Dist.,* 864 P.2d 526, 530-31 (Alaska 1993) ("[w]e recognize a presumption that the legislature intended every word, sentence, or provision of a statute to have some purpose, force, and effect, and that no words or provisions are superfluous."). Here, because "state officials" are also "public officers" any interpretation of the new standards that overlaps with the old standards would render the new standards superfluous. Therefore, a court will assume that the old standards do no prohibit the conduct that is proscribed in the new law that applies only to state officials. Put another way, any statute that reads "a state official may not . . ." may be interpreted to mean "a public officer who is not a state official may . . ."

3. **Page 43, lines 2-4; Sec. 74.** Creates AS 39.52.125(a)(1), which prohibits state officials from taking official action that ***substantially*** benefits or harms the financial interest of a person with whom the official is ***negotiating*** for employment. This is a significantly lower standard than that applied under the existing Ethics Act, which prohibits a public officer from taking official action if that official action has more than an insignificant effect on the officer's personal or financial interest. Under the existing law, an officer may not take official action if the action will affect the interests of the officer's prospective future employer. The current law does not require that the state prove that the effect of the action will be ***substantial*** or that ***negotiations*** be in progress. It is not clear whether a court would apply the old, more rigorous, standard to public officers who are not "state officials," or whether a court would conclude that no standards at all apply to prospective employment of those employees not specifically enumerated in the new statute.

4. **Page 43, lines 5-8; Sec. 74.** Creates AS 39.52.125(a)(2), which prohibits knowing uses of state funds for purposes not approved by law. Current law prohibits action that intentionally confers "unwarranted benefit or treatment" on any person. AS 39.52.120. Under the ethics regulations, this would cover unauthorized uses of state funds or resources provided that the officer making the use did so with an improper motivation. "Knowingly" usually means that the officer be aware of what the officer is doing, but not necessarily be aware that the action violates the law. Under the new law, a state official would be in violation of the Ethics Act if the officer knowingly makes an unauthorized use of public funds, even if the officer believes that the use is authorized and in the best interest of the state.

5. **Page 43, lines 9-11; Sec. 74.** Creates AS 39.52.125(a)(3), which prohibits "state officials" from requiring a public officer to perform services for the official on state time. Appears to be redundant with AS 39.52.120(a) and AS 39.52.120(b)(5).

6. **Page 43, lines 12-14; Sec. 74.** Creates AS 39.52.125(a)(4), which prohibits "state officials" from using of state resources for political uses. Completely redundant with AS 39.52.120.

7. **Pages 43, line 19,--44, line 6; Sec. 74.** Creates AS 39.52.125(c), which prohibits "state officials" from using state funds to distribute a "political mass mailing" during a "campaign period," unless approved by the Personnel Board. Current law would prevent any public officer from using state funds for political purposes at any time.

8. **Page 44, lines 7-11; Sec. 74.** Creates AS 39.52.125(d), which prevents "state officials" from posting campaign materials in a state facility. Redundant with AS 39.52.120(b)(3).

9. **Page 44, lines 12-21; Sec. 74.** Creates AS 39.52.125(e), which prohibits "state officials" from retaliating or rewarding another's political contributions. Redundant with the prohibition in AS 39.52.120(a) against proving unwarranted benefits or treatment; existing law is broader in that it would apply to unwarranted treatment based on any political activity not just contributions.

10. **Page 44, lines 22-24; Sec. 74.** Creates AS 39.52.125(f) which allows a "state official" to serve on a board, even if that board "regularly has a substantial interest in the official actions of the official," as long as the state official discloses the interest to the personnel board. This section significantly undercuts and is impossible to harmonize with existing AS 39.52.170(a) and 39.52.150. Under existing law, a public officer may serve on a board unless: (1) the service is incompatible with the officer's state employment; AS 39.52.170(a); or (2) the board receives a state grant, contract, lease, or loan that the officer may take official action on, and the award is either (i) from the officer's administrative unit, or (ii) not competitively solicited and made by the officer's agency; AS 39.52.150. Under current law, service on a board that is affected by the officer's action would be considered incompatible with state employment. The new law would consider such a conflict of interest "compatible." The new law would probably be held to supersede AS 39.52.150 for "state officials" and allow them to sit on boards even if they award grants, contracts, leases, or loans to that board. It is not clear to what extent the existing restrictive standards will continue to apply to "public officers who are not state officials."

11. **Pages 44, line 25--45, line 2; Sec. 74.** Creates AS 39.52.125(g), which allows political activity during work hours if the political activities are part of the normal governmental duties of the state official, such as answering telephone calls and handling income correspondence. Under the current law, ministerial tasks would not be violations of the ethics act. Yet, when performed by personnel range 19 and above, these tasks are not likely ministerial, but more likely political acts. As such, they would not be allowed under current law. This section appears to weaken the ethical standards of state employees.

12. **Page 45, line 7,--48, line 2; Sec. 76.** Amends AS 39.52.130, the gifts statute, by adding several new provisions that apply only to "state officials." This section undercuts current law because it allows "state officials" to accept work-related gifts up to $250; current law cuts off gifts at $50. This section also undercuts current law by narrowing the definition family members who may accept gifts that would be prohibited if accepted by the state official; current law would exclude gifts to grandchildren. (Although the new law expands to include relatives of the official's spouse.) Given that the current law is more restrictive, the new law is either completely superfluous, or the current law is repealed by implication.

13. **Page 48, lines 4-16; Sec. 77.** Creates AS 39.52.132, a new section that restrict campaign activities of "state officials" during days that the legislature is in session. These sections raise constitutional questions in that they restrict the speech and associational rights of state citizens, including citizens who are not state employees, without protecting a corresponding significant interest of the state. *See, e.g., State v. Haley,* 687 P.2d 305 (1984); *Buckley v. Valeo,* 424 U.S. 1 (1976). It is far from clear that the government has an interest in restricting legitimate campaign activity of executive branch employees during the legislative session, much less of volunteer board and commission members.

14. **Page 48, lines 17-19; Sec. 77.** Creates AS 39.52.134, which makes it an ethics violation for "state officials" to become candidates or file declarations of candidacy for the legislature.

15. **Page 48, lines 20-21; Sec. 77.** Creates AS 39.52.136, which makes it an ethics violation for state officials to violate the open meetings act. This will likely become a trap for unwary citizens who volunteer for public service on state boards or commissions.

16. **Page 48, line 28,–50, line 2; Sec. 79.** Creates AS 39.52.155, which requires "state officials" to disclose close economic associations. Because no action is required on the disclosure, this section more properly belongs in AS 39.50 than 39.52.

17. **Page 50, lines 8-11; Sec. 80.** Amends AS 39.52.170 to clarify that payment by a private entity for services provided by a state official at above market rates would be incompatible outside employment, but only for "state officials."

18. **Page 50, lines 18-21; Sec. 81.** Creates new subsection AS 39.52.170(c), which prohibits state officials from accepting payment for a speech or appearance. This section applies to citizens who serve on boards and commissions and is not limited to speeches connected with the official's state duties. It is likely unconstitutional under *United States v. National Treasury Employees Union,* __U.S. __, 115 S.Ct. 1003 (1995).

19. **Pages 50, line 27,–51, line 1; Sec. 83.** Amends AS 39.52.180(c) to require a one year lag period before former "state officials" may work on matters connected to their former state service, even if the work would be in the public interest.

20. **Page 51, lines 3-6; Sec. 84.** Amends AS 39.52.180 by adding subsection (d) to prohibit waivers of the two-year lag for former state officials if the proposed employment involves lobbying. This section will not likely have much effect because most lobbying involves legislation, which is not a "matter" that would create a conflict for former state officials under AS 39.52.180(a). Thus, usually no waiver is needed for a former official to immediately engage in lobbying.

Alaska State Legislature

Select Committee on Legislative Ethics

HOUSE SUBCOMMITTEE

In re: **Representative Jerry Sanders** **DECISION: H 96-02**

The House Subcommittee of the Select Committee on Legislative Ethics (Committee) finds that Representative Jerry Sanders violated the Ethics Act by using state funds, legislative staff, state equipment and state facilities for nongovernmental purposes, including political purposes. The Committee reached this decision based on clear and convincing evidence and did not find it necessary to make inferences from those witnesses who exercised the privilege against self-incrimination.

In this decision, the Committee sets out the procedural history of the complaint, the reasons for its determination, including a review of the evidence presented at the public hearing held November 14th and 15th 1996, and recommendations to the House of Representatives for sanctions to be imposed on Representative Sanders.

A. Procedural History

A complaint was filed with the Committee against Rep. Sanders on April 19, 1996. Following the requirements of AS 24.60.170, the Committee determined that the complaint was in the proper form and contained allegations, which if true, would constitute violations of the Ethics Act, and issued a resolution defining the scope of investigation into the complaint on July 24, 1996. An investigation was conducted. After reviewing the results of the investigation, on September 23, 1996, the Committee found probable cause to believe Rep. Sanders had committed violations of the Ethics Act that might require sanctions instead of, or in addition to, corrective action and therefore issued formal charges.

Rep. Sanders was served with the charges but did not choose to answer them. Therefore the Committee scheduled a hearing on the charges for November 14th and 15th, 1996. The Committee appointed Michael N. White as its Hearing Officer to address pre-hearing issues and preside over the hearing. On October 28, 1996, Rep. Sanders sought relief in Superior Court in Anchorage on several pre-hearing issues. His case was dismissed because the Superior Court found it did not have jurisdiction over the internal affairs of the Legislature.

The Committee held a public hearing on the charges on November 14th and 15th, 1996. Members of the Committee present (Rep. Cynthia Toohey and the public members: Joseph Donahue, Ed Granger, Margie Mac Neille, Shirley McCoy and Edith Vorderstrasse) heard testimony presented by the Committee's counsel Michael Spaan and staff. Rep. Sander's attorney, Lester Syren, cross-examined Committee witnesses but elected not to present any witnesses. At the conclusion of the public hearing, the Committee began its deliberations, using only the evidence admitted during the hearing. After determining that violations had occurred, the Committee reviewed the public record of pleadings and correspondence which had been received after the probable cause determination.

Rep. Sanders, a member of his staff and an ex-employee claimed their 5th Amendment right not to testify in response to numerous questions at the hearing.[1] Although the Committee is permitted, as a matter of law, to draw inferences from their doing so, it did not do so in making its findings or reaching its decision. Unfortunately, the witnesses' exercise of their privilege may have deprived the committee of information which could have explained, or made less serious, the violations which the evidence presented demonstrated. The Committee regrets that it has never heard Rep. Sanders' side of the story, although he has been given every opportunity to tell it. However, the Committee must deal with the evidence before it. The Committee will not be referring this matter to any other authority under AS 24.60.170(l).

B. Reasons for determination

The Committee finds, as alleged in Charge 1 of the formal charges,

> That Rep. Sanders used public funds, facilities, equipment, services or another government asset or resource for a non-governmental purpose or for his own private benefit or the benefit of another person by producing or mailing, to one or more people, a letter dated March 4, 1996 concerning participation in the Republican Party's presidential straw poll, in violation of AS 24.60.030(a)(2).

On January 29, 1996, the Republican Party of Alaska held a Presidential Straw Poll. (Testimony of Linda McKay) People participating in the straw poll in District 19, Rep. Sanders' district, wrote their names and addresses on sign-in forms. (Ex. 5)

Earnest Woods, who attended the Republican Straw Poll for District 19, subsequently received a letter. (Ex. 6) The letter is on the letterhead of Rep. Jerry Sanders, which indicates he serves as Chairman of the Economic Development Committee of the Alaska State Legislature, includes the seal of the state of Alaska and is marked "Official Business". The letter is dated March

[1] They declined to testify on the advice of their attorney on the grounds that their testimony might subject them to criminal prosecution.

4, 1996; its envelope bears the return address "Representative Jerry Sanders, State Capitol, Room 13, Juneau, Alaska 99801-1182" and a Juneau postmark of March 5, 1996. The letter is signed "Jerry". Under the typed signature line, "Representative Jerry Sanders", the initials "JS:jl" appear. (Testimony of Earnest Woods, Exs. 5 & 6)

The text for this letter and a mailing list containing 265 names corresponding to names on the District 19 Republican Straw Poll sign-in forms were found, under the file names "strawpoll" and "poll", in a computer located in Rep. Sanders' office and used by his employee, Jeanne Lovell. File information from that computer shows that one document was last modified on March 4, 1996 at 10:38 am and the other was last modified at 10:43 am that day. (Exs. 11 and 12)

March 4th, 1996 was a Monday during the legislative session and it was not a holiday. Rep. Sanders' office employees during the legislative session included Jeanne Lovell and Patricia Perez. (Exs. 8 & 9) Ms. Lovell's time cards for the period indicate that she did not file any leave slips for March 4th or 5th (or any at all for the period from January 29th through March 5th.) (Ex. 7) Ms. Perez did not recall doing any project that wasn't "with the job". (Testimony of Patricia Perez) Ms. Perez told the Committee's investigator, Susan Barnett, that she printed out, folded and mailed the March 4 letter to Republican Straw Poll participants, assisting Jeanne Lovell in the project. (Testimony of Susan Barnett, Ex. 15) The Committee determined that the tasks related to the letter were completed while the employees were on government time.

On March 5, 1996, $76.48 was charged to the Juneau Mailroom Account maintained for Rep. Sanders by Legislative Services, reflecting the mailing of 239 pieces of mail. (Ex. 10) That account was funded by transfers, of $100 on January 16, 1996 and $250 on March 7, 1996, from Rep. Sanders' "accountable" office account. (Ex. 4) Legislators receive an office allowance of $6000 per year from the Legislature. They may choose to take this allowance in cash, after payroll and income tax deductions, or they may leave it on account with the Legislative Affairs Agency. If they choose this option, they may only submit for payment business-related expenses, substantiated by receipts. No taxes are paid on money disbursed under this account. (Exs. 1 & 3). Rep. Sanders chose the "accountable" office allowance plan. (Ex. 4) The Committee determined that funds held in the "accountable" office account are public funds, not to be used for personal purposes.

The Committee finds that there is clear and convincing evidence Rep. Sanders sent this letter as part of a mass mailing on March 5th. It was on his stationary, prepared and mailed from his office by his employees, and its signature matches the signature on his office allowance form. (Ex. 4) The Committee finds that the act of preparing and sending the letter used public funds (the accountable office allowance) for postage; used public facilities and equipment (the state computer in his office) and used public resources (the staff time of his employees).

The text of the letter is as follows :

> I would like to take this opportunity to thank you for your participation in the first presidential straw poll to be held in Alaska. Not only have we broken new ground historically, politically we have gained prestige on the national level.
>
> It was exciting to learn that District 19's participation was among the strongest areas to go out and cast a vote for a presidential candidate. With the inclement weather to deal with, I really appreciate the interest shown by my fellow Republicans.
>
> Seeing a lot of you in the halls of the polling station within my district was indeed a pleasure. If I didn't get a chance to talk with you, please accept my apology.
>
> I have always held in high regard those people who will go that "extra mile" to do what is needed. Taking the time out of your busy schedule to fulfill your civic duty is greatly appreciated.

The Committee finds, by clear and convincing evidence, that this letter does not have a legislative purpose. It concerns a function of a political party on a national level, the effort to influence the choice of the Republican nominee for President. It was sent to active members of Rep. Sanders' political party, in his district, in a year he was running for election. Legislators may use public funds, facilities and staff to communicate with constituents if that communication has a connection to a legislative purpose. This letter has a political, not a legislative purpose. The Committee finds that Rep. Sanders' use of public funds, facilities and equipment and staff time was for a nongovernmental purpose, and for his private benefit (campaign good will) and for the benefit of another person (the Republican Party). Under AS 24.60.030(a)(2), any one of these purposes is a violation.

AS 24.60.030(a)(2)(A) does not prohibit limited use of public funds, facilities and equipment or resources for personal purposes if the use does not interfere with the performance of public duties and the cost or value related to the use is nominal. The Committee finds that this exception does not apply in this case. Ms. Perez told Ms. Barnett that she and Ms. Lovell worked on the production and mailing of the letter for about a day, with other legislative duties being done in between. (Testimony of Ms. Barnett, Ex. 15). Ms. Donna Daniels, a skilled legal secretary, recreated the letter and a mailing list from the District 19 sign-in forms, printed them, folded them, stuffed them in envelopes and ran them through a postage meter in 6 1/2 hours. (Testimony of Donna Daniels) Unless Rep. Sanders' employees had no public duties to perform (an assumption the Committee is unwilling to make), the tasks related to the letter interfered by necessity with their public duties for that period. The Committee finds the cost of producing the mass mailing is not nominal.

The Committee finds, as alleged in **Charge II**,

> That Rep. Sanders used or authorized the use of state funds, facilities, equipment, services or another governmental asset or resource for the purpose of political fundraising or campaigning by producing and mailing, to one or more people, a letter dated March 4, 1996 concerning participation in the Republican Party's presidential straw poll, in violation of AS 24.60.030(a)(5).

Under Charge I above, the Committee has already found that Rep. Sanders used state funds, facilities and equipment, and resources (staff time) to produce the letter dated March 4th. Under this section of the Ethics Act, the issue is whether the letter was for the purpose of political fundraising or campaigning. The Committee, by clear and convincing evidence, finds that the letter was not for political fundraising but that it was for the purpose of political campaigning, for the Republican Party generally and Rep. Sanders individually. (Ex. 6)

Under AS 24.60.030(5), just as under AS 24.60.030(a)(2), limited use of state property and resources for personal purposes is permitted if the use does not interfere with the performance of public duties and the cost is nominal. As in Charge I, the Committee finds this exception does not apply.

The Committee finds, as alleged in **Charge III**,

> That Rep. Sanders required an employee to assist in political party or candidate activities, campaigning or fundraising while on government time, by requiring a legislative employee to perform duties related to the production and mailing of a letter, to one or more people, dated March 4, 1996 concerning participation in the Republican Party's presidential straw poll, in violation of AS 24.60.030(b).

The Committee finds, by clear and convincing evidence, that Rep. Sanders did so violate AS 24.60.030(b). Rep. Sanders' initials and signature appear on the letter Mr. Woods received, indicating that he generated the letter. It is highly improbable to the Committee that the mass mailing took place without his directing his employees to carry it out. Legislators are responsible for the activities of their employees while the employees are on government time. As discussed in Charge II above, the letter constituted a political party activity and campaigning (but not fundraising).

C. Cooperation of Representative Sanders

Under AS 24.60.170(k), the Committee's decision following a public hearing may indicate whether the subject cooperated with the Committee in its proceedings. Rep. Sanders did not cooperate with the Committee in this case. In several areas, Rep. Sanders' view of the applicable law is different than that

of the committee's, specifically whether the judicial branch of state government has jurisdiction over the Ethics Committee and whether one person can claim the 5th Amendment privilege against self-incrimination to avoid testimony that might incriminate another person. A subject does not have to agree with the Committee to be considered cooperative, and the committee does not hold these differences of opinion against Rep. Sanders. However, these issues aside, the Committee finds, upon reviewing the pleadings and correspondence in the case since the probable cause determination, a pattern of delaying and obstructing tactics (including lack of compliance with the Hearing Officer's orders) which constitutes a lack of cooperation which was inappropriate.

D. Recommended Sanctions

Since the Committee has found both violations of the Ethics Act and a lack of cooperation by the subject, it must recommend to the House the sanctions it deems appropriate. In making those recommendations the Committee considered several factors.

First, the offenses must be looked at in light of the spectrum of possible violations. A considerable amount of legislative staff time, $76 in postage, and the official state letterhead were used for partisan political purposes. Although significant, the offenses are not the most serious.

Second, the Committee has found probable cause to believe that Rep. Sanders violated the Ethics Act twice before and has required corrective action. Although the second offense was minor, both violations involved using state resources for personal or political benefit. It does not appear that the corrective actions required by the Committee in the past have had the desired positive effect on Rep. Sanders' conduct in this area.

Third, state resources are entrusted to the legislators for their use in performing their legislative functions. The public has the right to expect that these resources will not be diverted to other purposes. Public trust in the legislature depends on the assurance that a legislator will not use these resources in partisan efforts or for personal benefit.

The Committee and the Legislature must take a strong stand when misuse of public resources occurs. The Committee has increased the sanctions recommended because of the prior findings of probable cause that Rep. Sanders violated the Ethics Act and because of his lack of cooperation.

The sanctions recommended by the Committee for imposition by the House are:

1. Rep. Sanders shall be stripped of any committee chairmanships he may hold for his next term. Being a committee chair places additional state

Alaska State Legislature

Select Committee on Legislative Ethics

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

April 15, 1993

ADVISORY OPINION 93-3

RE: Receipt of a prize in a raffle.

You are a legislator covered by the legislative ethics code who purchased a ticket for a raffle sponsored by Perseverance Theatre, a nonprofit performing arts organization, and won sixth prize. The total value of the items included in the prize was $455. The raffle was open to the general public and you were told that a participant in the raffle had a one in 80 chance of winning a prize. The prize list you enclosed from Perseverance Theatre indicates that the raffle is a fundraiser for the theatre.

You ask whether you must disclose receipt of your prize. You have also pointed out that the question may be of interest to others covered by the legislative ethics code so you have no objection to the opinion being made public.

Based on the facts that you have described above, the committee concludes that your participation in the raffle does not raise any obligations under the legislative ethics code. You purchased a chance to win a prize, and the odds were clearly against winning. Therefore, the committee concludes that your prize should not be considered a gift under AS 24.60.080. The opportunity to buy raffle tickets was in no way limited to legislators and legislative employees, so there is no implication that the raffle was used as a means of disguising a gift to you or other persons covered by the legislative ethics code. The fact that the value of the prize substantially exceeded the purchase price is offset by the odds against receiving a prize at all.

The prize does not fall within any of the sections that require disclosure -- it is not a state program or loan, which you would be required to disclose under AS 24.60.050, and does not establish a close economic association between you and any of the types of individuals listed in AS 24.60.070. The committee notes that Perseverance Theatre does have a registered lobbyist; however, the prize was not received from the lobbyist but rather from the organization.

In conclusion, the committee finds that you may accept your prize without obligation to disclose under the legislative ethics code.

Adopted by the Select Committee on Legislative Ethics on April 15, 1993. Members present and concurring the opinion were:

Joseph P. Donahue, Chair
Ed Granger, Vice-Chair
Margie MacNeille
Shirley A. McCoy
Edith A. Vorderstrasse (participated by teleconference)
Senator Jay Kerttula
Senator Drue Pearce
Representative Brian Porter
Representative Jerry Mackie

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Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

Rules Committee

MEMORANDUM.

TO: Representative James, Chairman
House State Affairs Committee

FROM: Senator Kelly, TK Chairman
Senate Rules Committee

DATE: 22 April 1997

IN RE: scheduling SB 105

Please schedule Senate Bill 105, "An Act relating to legislative and executive branch ethics ...," for a hearing before the House State Affairs Committee as soon as possible. A current sectional analysis is attached. Benjamin Brown of my staff will provide your Committee Aide with any necessary supplementary documentation. Ben can be reached at extension 4823 to answer any questions you or your staff may have.

Thank you for your consideration of this request.

Alaska State Legislature

Select Committee on
Legislative Ethics

716 W. 4th, Suite 230
Anchorage AK
(907) 258-8172
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Mailing Address:
P.O.Box 101468
Anchorage, AK
99510 - 1468

DATE: April 22, 1997

TO: Representative James, Chair
House State Affairs Committee

FROM: Susie Barnett, Staff
Select Committee on Legislative Ethics

RE: **Review of Ethics Bill, CSSB 105 (FIN) am**

An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state office; relating to the conduct of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official for employment security statutes and providing for an effective date.

This document is intended to supplement the bill, relating to changes to the Legislative Ethics Code, AS 24.60, the Executive Branch Ethics Act, AS 39.52 and the State Personnel Act, AS 39,25, the State Elections Act, AS 15.13.. The purpose of this document is to provide an ethics committee analysis of the bill. (Herein, "committee" refers to ethics committee.)

The Senate State Affairs Committee added, (27 page amendment) the sections dealing with the executive branch ethics/personnel board, and amended AS 24.60.260(c) by deleting a reference to inadvertent late disclosures.

The following sections were amended by the Senate Finance Committee: 1, 3, 4, 8, 10, 26, 47, 62, 65, 67, 113, 114, 115. Note comment re: Section 80.

The following sections were amended on the senate floor: Secs 1,2, 3,4, 5, 8, 16, 23, 113

SECTION 1: AS 15.13.072.(d) RESTRICTIONS ON SOLICITATION AND ACCEPTANCE OF CONTRIBUTIONS. Amends the State Elections Act to prohibit candidates for election or reelection to state office from soliciting or

accepting a campaign contribution while the legislature is in regular or special session. **(as amended on the senate floor)**

(Senate Finance had previously adopted an amendment which allowed incumbent legislators and certain legislative employees to solicit and accept contributions for non-legislative campaigns during session but retained a "fundraising during session restriction" on the governor and lt. governor.)

SECTION 2: AS 15,13,074(c) PROHIBITED CONTRIBUTIONS prohibits a person or group from contributing to a candidate for state office while the legislature is convened in its regular session. **(as amended on the senate floor)**

SECTION 3: AS 15.13.116(a) DISBURSEMENT OF CAMPAIGN ASSETS As amended on the senate floor, allows a transfer of unused campaign contributions to a legislative office account reserve, in accordance with the new subsection which follows. Secs. 113 and 114 allow this section and the section below to take effect immediately and to be retroactive to December 31, 1996. **(As amended on the senate floor)**

(The Senate Finance Committee had previously adopted language to increase the portion of the unused campaign contribution that may be transferred to a future election account, from $10,000 to $30,000 for candidates for senate and from $5,000 to $15,000 for candidates for the house. The floor amendment deleted that language.)

SECTION 4: AS 15.13.116 DISBURSEMENT OF CAMPAIGN ASSETS New subsection (d) allows, but does not require, a legislator to transfer $5000 per year from the office account reserve to a legislative office account, with a limit of $20,000 for senators and $10,000 for representatives. (Current law 15.13.116 (9)(D) allows a one time transfer of funds to an office account at $5000 multiplied by the number of years in the term.) At the end of the legislator's term, a balance in the office account must be disposed of as provided in (a) (1)-(8) of this section, which includes paying campaign bills, victory party, charitable donations, repaying contributors, candidate defense fund, and future election accounts. Secs. 113 and 114 allow this section and the section above to take effect immediately and to be retroactive to December 31, 1996. **(Added by Sen. Fin., amended on the senate floor)**

SECTION 5: AS 15.13.400 DEFINITIONS Adds "state office" to the list of defined terms in the State Elections Law, relating to changes made in Secs. 1 and 2 of this bill. "State office" is defined as office of governor, lt. governor, member of the legislature or similar state office. **(As amended on the senate floor)**

SECTION 6: AS 23.20.526(d) EXCLUSIONS FROM DEFINITION OF EMPLOYMENT. Conforming amendment based on changes in this bill to the executive branch employment security statutes to ensure that the people who are not eligible for unemployment compensation remain ineligible.

SECTION 7: AS 24.25.010(e) SUBPOENA POWERS: The ethics code specifically grants the ethics committee the authority to subpoena witnesses

under AS 24.60.150(b)(2). The statute to be amended by this bill sets out general authority for legislative subpoenas and includes a reference requiring the concurrence of the Senate President or Speaker of the House. Subsection(e) currently provides that the section does not apply to the Legislative Council or the Legislative Budget and Audit Committee. Like the ethics committee, both the council and LBA are permanent interim committees and both have express grants of authority to subpoena witnesses. It is the opinion of the ethics committee and the committee's legal counsel, that not including the ethics committee in the AS 24.25.010(e) exemption was an oversight, given the specific grant of authority to subpoena witnesses in the ethics code itself.

SECTION 8: AS 24.45 NEW SECTION 24.25.165. PROHIBITION ON LOBBYING ACTIVITY FOR SPOUSES AND COHABITANTS OF LEGISLATORS (a) Prohibits a spouse or a person cohabiting with a legislator from lobbying the executive branch or legislature. (b) defines "person cohabiting". **(Amended on senate floor)**

(The senate floor amendment deleted a previous Sen. Fin. amendment made at the request of APOC, to streamline the lobbyist related reporting requirements set out in AS 24.60.070(d) and AS 39.52.155 of this bill, for legislators, legislative employees and state officials. That language added a requirement that the lobbyist report on the lobbyists registration form, whether their spouse or spousal equivalent is a legislator, legislative employee or state official.)

SECTION 9: AS 24.45.171(12) DEFINITIONS. Adds "another legislative employee subject to disclosure" to the definition of public official or public officer in relation to lobbying statutes. (see AS 24.60.990(a)(15) in this bill)

SECTION 10: AS 24.60.030 PROHIBITIONS/Legislative Ethics Code

Sub-para: (a)2)(A): As amended by Senate Finance, the use of state resources for personal purposes would be allowed if the use does not interfere with the performance of public duties and either the cost is nominal or the user reimburses the state for the cost. **(Amended by Sen. Fin.)**

Sub-para: (a)2)(C): As amended by Senate Finance, allows "facsimile" use for a nongovernmental use or private benefit if the use does not carry a special charge. **(Amended by Sen. Fin.)**

Sub-para:(a)(5)(A): As amended by Senate Finance, the use of state resources for political fundraising or campaigning purposes would be allowed if the use does not interfere with the performance of public duties and either the cost is nominal or the user reimburses the state for the cost. **(Amended by Sen. Fin.)**

Sub-para:(a)(5)(C): As amended by Senate Finance, allows "facsimile" use for political fundraising or campaign uses if the use does not carry a special charge. **(Amended by Sen. Fin.)**

Sub-para:(a)(5)(D): Allows storing and maintaining campaign records (such as APOC reports) in a legislator's office. The Senate Finance Committee deleted the language in the Sen. State Affairs CS which set out that the records could not be displayed publicly. **(Amended in Sen. Fin.)**

SECTION 11: AS 24.60.030(c) MASS MAILING: The ethics code currently prohibits use of state funds to print or distribute a mass mailing from or about *a legislator who is a candidate for state office*, during the period 90 days before the primary and ending the day after the general election. The proposed language expands the prohibition to include legislators and legislative

employees who are candidates for federal and municipal offices or to telephone and electric cooperatives. While other sections of the ethics code clearly prohibit use of state funds for campaign purposes, this section highlights what are considered to be a critical periods and provides a guideline for those who issue mailings during those times. *This prohibition does not apply to a legislator's office allowance.*

SECTION 12: AS 24.60.030(d) CAMPAIGN LITERATURE: The proposed change adds fundraising notices to the list of current prohibitions on distributing or posting campaign literature in state facilities. The prohibitions currently apply only to legislators or someone acting on behalf of a legislator. This expands that prohibition to include legislative employees. Allows legislators to post materials related to a past election in his/her private legislative office.

SECTION 13: AS 24.60.030(f) BOARD MEMBERSHIP: The amendment would change the board membership disclosure period from 30 days to 60 days and would require the committee to publish the disclosures in the journal.

SECTION 14: AS 24.60.030(g) CONFLICTS OF INTERESTS: The amendments to this section have the effect of changing the *prohibition* on taking legislative, administrative or political action to a *disclosure requirement* prior to taking action if one has any of the "interests" listed in the amendment, which are expanded beyond equity or ownership interest to include employment, contracts and membership on a board. It also sets out that the disclosure is to be publicly announced if the action is being taken in a committee meeting or on the floor. Actions being taken other than in committee or on the floor, e.g. drafting a bill or testifying in an administrative hearing, would be disclosed, in writing to the ethics committee within 7 days. Disclosures, whether oral or written, must include the nature of the financial interest and a short description of how the action affects the interest.

SECTION 15: AS 24.60.030 GOVERNMENT TIME Under the proposed language, when determining in a complaint proceeding whether an employee was performing a task on government time, the committee would consider the schedule set by the employee's supervisor. Requires an employee to take leave for the period of time he/she is engaged in political campaign activities, other than incidental campaign activities. Political campaign activities are permissible on government time if the activities are part of the normal legislative duties, including answering phone calls and handling incoming correspondence.

SECTION 16: AS 24.60.031(a) FUNDRAISING DURING SESSION The proposed language clarifies that the restrictions on fundraising during session are in effect on a day when either house is in regular or special session. A legislator or legislative employee may not solicit or accept contributions to state office campaigns during session, may not accept money from events held for state office political purposes during session and may not expend money for state office campaigns if the money was raised during session. **(As amended on the senate floor to expand restriction from "non-legislative" to "state office")**

SECTION 17: AS 24.60.039 EMPLOYMENT DISCRIMINATION The Ethics Committee shares jurisdiction with the Human Rights Commission on complaints filed against a legislator or legislative employee concerning violations of the employment discrimination statute, AS 18.80.220. Current law requires the committee to deal with a complaint alleging a violation of that statute in the same manner they would deal with any other complaint. The proposed language gives the committee the option to refer those who file a complaint of employment discrimination to the Human Rights Commission and defer consideration of the complaint until after the commission has completed its proceedings.

SECTION 18: AS 24.60.040(a) CONTRACTS AND LEASES The proposed language broadens the contract and lease criteria beyond the current code, which restricts a legislator or legislative employee from having a financial interest in a state contract or lease unless:

~it is let through competitive bidding in accordance with the Procurement Code or
~it is worth $1000 or less annually or
~it is standardized, under publicly established guidelines and generally available to the public at large.

The new language allows participation in contracts or leases that are let under AS 36.30, the State Procurement Code, which addresses a variety of award methods, including sole-source. It also allows participation in contracts and lease that are let under similar procedures to those in AS 36.30 which addresses such agencies as the University, the railroad and the legislature. The new language sets a new reporting threshold at $5000, changed from the previous $1000.

This bill eases the 'family member' disclosure requirement to generally read; A legislator or legislative employee who knows, or reasonably ought to know, that a family member is participating in a state contract or lease must disclose that participation.

This relaxing of prohibitions is balanced by the new disclosure requirement. Currently a legislator or legislative employee does not disclose to the ethics committee participation in contracts or leases permitted by the code. The proposed language requires disclosure by the legislator, legislative employee and family members of participation in any state contract or lease over $5000 annually.

SECTION 19: AS 24.60.040, CONTRACTS AND LEASES. The new subsection clarifies that a grant, contract or lease that falls under one of the State Loan or Benefit Programs in AS 24.60.050, is not subject to this section. (The committee publishes a list of programs that do not meet the criteria in AS 24.60.050 and requires disclosure of participation in any of the listed programs.) It also clarifies that for the purposes of complying with the ethics code, a grant that results in a contract is subject to this section.

SECTION 20: AS 24.60.050(c) REFRAIN FROM PUBLICATION Allows the committee to protect an individual's right to privacy concerning participation in state loan and benefit programs and sets confirming disclosure date. This follows an advisory opinion issued by the committee in 1994 explaining that it chose to not publish the name of a person who received a benefit from the

Violent Crimes Compensation Committee but did publish that a person covered by the ethics code had received a benefit.

SECTION 21: AS 24.60.060(b) PROTECTIVE ORDER The subject of an ethics complaint would be in violation of the code for releasing information deemed confidential under a protective order issued by the committee. This change would allow the committee to broaden discovery by the subject while still protecting any innocent, or 'not involved' parties.

SECTION 22: AS 24.60.070(b) DEADLINE FOR CLOSE ECONOMIC ASSOCIATION: The current code required disclosure of close economic associations but did not set a deadline. New deadline is set deadlines in AS 24.60.105 of this bill. The February 15 deadline is in line with others and the 60 day disclosure for new associations matches the new language for disclosures throughout the bill.

SECTION 23: AS 24.60.070. SPOUSAL/SPOUSAL EQUIVALENT LOBBYIST. This new section would require legislative employees who are married to or who are the spousal equivalents of a lobbyist, to disclose, under Close Economic Association, the name and address of each of the lobbyist's clients and the total monetary value received from each client annually. Changes to the list would have to be reported within 48 hours. (**Amended on senate floor** to delete "legislators" due to ban on spousal/equivalent lobbying.)

SECTION 24: AS 24.60.080(a): GIFTS The bill increases the gift limit from $100 to $250 annually. The language also clarifies that those gifts that come under subsection (c); hospitality, discounts, food shared as a cultural norm, travel/hospitality for obtaining information on legislative matters, gifts from immediate family and gifts not connected to legislative status are exceptions to the general prohibition on accepting gifts. Gifts on behalf of a charitable organization (new subsection (h)) are exempted from both "accepting and soliciting" prohibitions. New language has been added that restricts legislators and legislative employees from accepting, from a lobbyist during session, anything of monetary value other than food or beverage for immediate consumption.

SECTION 25: AS 24.60.080(c) GIFT EXEMPTIONS The amendment to sub-paragraph(1)(A) clarifies that a stay in a vacation home located outside the state, is not an exempted gift. Amendment to sub-paragraph (2)(B) would allow legislators and legislative employees to accept discounts while on state business if the discount benefits the state. Paragraph (7) allows legislators and personal staff of legislators (not other legislative employees) to accept discounts and welcoming gifts in the capitol city during session.

SECTION 26: AS 24.60.080(d) GIFT REPORTING The changes in this section correspond to those made in previous sections e.g. $250 limit and changing reporting date for gifts not related to legislative status to February 15 deadline and the change from reporting gifts to APOC.

Currently, a legislator or legislative employee who receives a gift of over $100 "not related to legislative status" is required to report, confidentially, the name of donor and description of the gift received under this category. If the gift has a value of over $250, the actual value must also be reported. The new

language requires reporting, confidentially, only the name of donor and description of gift for all gifts over $250 not related to legislative status.

Proposed changes to Sections 200-260 (discussed further down in this document) of the ethics code, remove APOC out from under the responsibility of dealing with reports of gifts received by legislators and legislative directors. This is an effort to ease confusion over what is reported to whom. Under the proposed changes, all gifts would be reported to the ethics committee. Copies of the non-confidential gift disclosures will be forwarded to APOC. Senate Finance, at the request of APOC, added the disclosures of gifts of "legislative employees" who are required to file financial disclosure statement to those that the ethics committee must provide copies of to APOC. **(As amended by Sen. Fin.)**

SECTION 27: AS 24.60.080(e) Low Budget Campaigns This is a technical change in response to the new campaign finance reform law, to allow certain contributions to "small budget" campaigns to fall within the "contribution" definition.

SECTION 28: AS 24.60.080(f) Government Gifts Allows acceptance of gift from a foreign government, the U.S. government or another state government for protocol purposes so long as the gift is delivered to the legislative council within 60 day. This bill increases the threshold to $250 to correspond with other changes relating to gifts.

SECTION 29: AS 24.60.080(g) FAMILY Defines the terms in the Gifts Section "Immediate family or family member", which includes cohabitators, when used in relation to gifts received from immediate family and the new subsections in AS 24.60.080: inheritance from a family member (i) or gifts received by a family member (k).

SECTION 30: AS 24.60.080 GIFTS. New Subsections

(h) Permits soliciting and accepting gifts on behalf of charitable organizations, which is in accordance with an advisory opinion issued by the committee. Allows the committee to set guidelines concerning these types of gifts.

(i) Requires reporting of receipt, but not value of, an inheritance from a person other than a family member. The current statute does not address inheritance. This information is currently required under APOC reporting of gifts. The bill reflects the change from reporting gifts to APOC.

(j) Sets out that gifts of volunteer services for legislative purposes may be accepted by a legislator, legislative committee or legislative agency as a gift to the state, so long as the person donating the services is not paid by another source. Allows a legislator, legislative committee or legislative agency to accept a UA Intern or JTPA trainee as well as any other educational trainees the committee approves. To maintain confidentiality, the ethics committee is not permitted to accept volunteer services.

This subsection requires volunteers, interns, and educational trainees to generally comply with the ethics code, with the exceptions of the following sections: contracts and leases, close economic associations, nepotism or representation before state agencies. The nepotism exemption allows family members to volunteer their time to legislative offices.

(k) The current law does not specifically address whether gifts, from another source, to a family member or spousal equivalent of a legislator or

legislative employee fall within the restrictions and/or reporting requirements. The proposed language requires disclosure by a legislator or legislative employee who knows, or reasonably ought to know, that a family member has received a gift because of the family member's connection to the legislator or legislative employee. The bill provides this guideline: if the gift was given directly to the legislator or employee and if it would have to be reported by the legislator or employee, then the same gift, if the gift was given to a family member because of his/her connection to a legislator or legislative employee, would require disclosure. In other words, gifts of travel for matters of legislative concern given to allow the spouse to travel with the legislator, would have to be reported. The same holds true for gifts that legislators or legislative employees would be prohibited from accepting, that are received by family members. For example, gift of over $250 given to the spouse of a legislator, primarily because of the connection to the legislator, would have to be reported.

The language, "or reasonably ought to know", concerning family members reduces the burden on those covered by the ethics code to research gifts provided to family members with whom there is little or no contact.

(l) Sets out that the value of the gift is fair market value, to the extent that fair market value can be determined. An example of how this might apply is; a tourism company provides a one hour helicopter ride to show a legislator the area in which they would like to expand their tours. The legislator would use the rate charged to helicopter passengers for a one hour tour in reporting the gift.

SECTION 31: AS 24.60.085(a) EARNED INCOME AND HONORARIA The amendments in this section would allow legislators and legislative employees to accept compensation that is less than fees generally charged. The effect of this change would be to allow an attorney to do pro bono work or an engineer to charge a reduced rate for review of plans for a non-profit organization.

SECTION 32: AS 24.60.100 REPRESENTATION Current law does not set reporting deadlines for representation before a state agency. This change corresponds to the other changes of February 15 and 60 days for new representation, see new section 24.60.105 of this bill.

SECTION 33: AS 24.60.105 DEADLINES FOR FILING DISCLOSURES Sets out a reporting deadline of February 15 for disclosures of interests in state contracts, leases, programs and loans, representations of clients, close economic associations and membership on a board. Interests begun or acquired during the regular session (except for the last 30 days) must be reported within 30 days.

SECTION 34: AS 24.60.130(f). COMMITTEE PER DIEM AND TRAVEL The language corrects a drafting oversight by formalizing the public members' entitlement to receive per diem and travel compensation, as has been customary with legislative committees that have non-legislative members, such as the Code Revision Committee. The public members are not entitled to be paid for their time in service to the committee. AS 39.20.180 sets the rates and terms for per diem and travel for state boards and commissions. The change would apply those rates and terms to the public members of the committee.

SECTION 35: AS 24.60.130(h). MEMBER DISQUALIFICATION

The new language prohibits an ethics committee member from participating in a complaint proceeding against a subject of a complaint who is supervised by the member. The process for appointing a new member to serve on the ethics committee in the place of a disqualified member is in new subsection AS 24.60.130(o) of this bill.

SECTION 36: AS 24.60.130(o) APPOINTMENT OF COMMITTEE ALTERNATES The current law sets out that if a member is disqualified during session, the presiding officer, with 2/3 concurrence, appoints another member for that proceeding. If disqualification is during interim, the presiding officer appoints a new member with the concurrence of that house's subcommittee. Involving either body of the legislature defeats confidentiality and allows public knowledge that the disqualified member may be the subject of the complaint. The new language directs the presiding officers to appoint alternates to the committee who will serve when the chair of the committee or subcommittee designates them, due to a legislative member being disqualified in a complaint proceeding. The designation of the alternate by the chair is confidential.

SECTION 37: AS 24.60.134(a) RESTRICTIONS ON THE COMMITTEE. The proposed language strengthens the political restrictions on the public members, staff to the committee and those under contract to the committee, by clarifying that prohibitions of participation in political management or in a political campaign extend to ballot initiatives and to campaigns for federal, state and local offices, regardless of whether the campaign is partisan or nonpartisan. A public member, employee or contractor to the committee may not attend a fundraiser or make a contribution to a political party, a candidate for the legislature, an incumbent legislator or legislative employee who is a candidate for another public office or a person running for another office against an incumbent legislator or legislative employee. The restriction on lobbying activities also remains the same as current law.

SECTION 38: AS 24.60.134(c) RESTRICTIONS: NEW SUBSECTION The proposed language permits a contractor with the ethics committee to request the committee to exempt some members of the corporation or partnership from having to comply with some or all prohibitions against political activity. The committee has contracted for outside legal counsel with an attorney who is part of a large firm with branch offices outside of Alaska. A strict reading of current law might mandate all employees of that law firm to comply with the restrictions in the Alaska legislative ethics code.

SECTION 39: AS 24.60.150(b) GUIDELINES Permits the committee to adopt guidelines to implement this entire chapter under a public process. A person who acted within the guidelines could not be penalized for violating the ethics code. The current procedure of issuing Advisory Opinions allows interpretations based only on the facts presented by a requester. Situations have come up wherein the committee feels guidelines, based on a broad set of circumstances and an interpretation of the law, would assist those covered by the code in avoiding inadvertent violations.

SECTION 40: AS 24.60.160 ADVISORY OPINIONS The proposed language in this section allows the committee to issue an advisory opinion to a person who anticipates becoming a legislative employee, 45 days prior to employment. Current law restricts the committee to issuing advisory opinions to those

already in legislative employment, legislators and legislators-elect. Current law sets 30 days as the response time for the committee to a request for an advisory opinion. The proposed change allows the committee 60 days to respond.

The new language in subsection(b) clarifies that the committee retains the authority to restrict attendance during deliberations in executive session on an advisory opinion.

SECTION 41: AS 24.60.170(a) COMPLAINTS: COMMITTEE JURISDICTION Current law requires the committee to process a complaint received, even if against all members of the legislature or all members of one house of the legislature. The proposed change, prohibiting the committee to consider a complaint of that nature, would allow the committee to return the complaint without action. Current law prohibits considering a complaint against a terminated legislative employee. Proposed language would allow the committee to reinstate a complaint that was closed upon an employee's termination, if the employee was rehired within five years of date the complaint was filed. In other words, if an employee quit to avoid complaint proceedings and the employee was rehired 6 months later, the committee may take up the initial complaint again. New language also allows the committee to follow the same procedure with a former legislator who resumes legislative service within five years of the date of the complaint. This change would affect former staffers who have been elected to the legislature and former legislators who have been employed as staffers.

SECTION 42: AS 24.60.170(b) COMPLAINANT New language clarifies that the complainant must sign a statement that he/she has reason to believe that a violation has occurred and places a responsibility on the committee to notify the complainant that he/she may have to testify during proceedings.

SECTION 43: AS 24.60.170(c) COMPLAINTS: PRELIMINARY EXAM/DISMISSAL The proposed change would put into law the current adopted procedure of the committee, which is to assign complaints to staff for preliminary examination for legal sufficiency and credibility of information. Staff would then make a recommendation to the committee based on information and evidence contained in the complaint. Staff and the committee would be specifically permitted to solicit additional information from the complainant and the subject. The subject is not obligated to provide information. The new language clarifies that the committee is permitted to dismiss frivolous complaints and complaints that lack credible information. Further clarifies, as is current practice, that proceedings under this subsection are confidential and that confidentiality may be waived by the subject in compliance with AS 24.60.170(i), the subsection dealing with discovery by the subject.

SECTION 44: AS 24.60.170(f) LACK OF PROBABLE CAUSE Clarifies that the deliberations and vote on the dismissal order and decision on a finding of "lack of probable cause that a violation of the ethics code occurred" are not open to the public or to the subject of the complaint.

SECTION 45: AS 24.60.170(g) CORRECTIVE ACTIONS: Clarifies procedures in the event a person, after a finding of probable cause of a violation of the ethics code, agrees to comply with the committee's recommended corrective

actions but later fails to complete the corrective action. Under the new language the committee may formally charge the person or refer the matter to the appropriate house of the legislature or appointing authority. It empowers the legislature or the appointing authority to enforce the actions or to decline to enforce and refer the matter back to the committee. If it is referred back to the committee, the committee retains the power to formally charge the person.

SECTION 46: AS 24.60.170(h) CORRECTIVE ACTIONS Conforms sub-paragraph (h) to the new language in AS 24.60.170(g), empowering the committee to formally charge a person who fails to complete corrective actions.

SECTION 47: AS 24.60.170(i) DISCOVERY Subsection (i) in current law is unclear as to when the subject of a complaint may engage in discovery. The committee feels the appropriate time for discovery and what seems to be the intent of the code, is at the point a person is formally charged. The change from subsection (b) to subsection (h) would clarify that intent. However, the new language permits the committee to adopt procedures concerning discovery which include allowing discovery at an earlier stage than formal charges and imposing reasonable restrictions on release of information to the subject of a complaint, to protect the privacy of persons not under investigation. The Senate Finance Committee amended subsection (i)(3) by adding a requirement that the committee could not impose restrictions on discovery by the subject unless the person agreed to be bound by similar restrictions concerning release of information and the person has not made public the information in or about the complaint or the filing of the complaint. The committee notes that they usually do not have jurisdiction over the complainant nor is the complainant involved in discovery.**(Amended by Sen. Fin.)**

SECTION 48: AS 24.60.170(l) ATTENDANCE AT EXECUTIVE SESSIONS and WAIVER OF CONFIDENTIALITY. The Uniform Rules set out that a legislator may not be excluded from an executive session. The proposed language clarifies that all meetings of the committee concerning complaints are closed to the public and to legislators who are not committee members. Under this amendment, the committee may permit the subject of a complaint to attend a meeting, unless the committee is in deliberations on probable cause that a violation occurred. The language limits the power of the complainant to waive confidentiality for others.

SECTION 49: AS 24.60.174(a) TIMETABLE FOR SANCTIONS This sets out a procedure for the ethics committee and the legislature to follow concerning sanctions on legislators. The committee must include a timetable for compliance reports when it submits a report recommending sanctions to a legislative body to consider imposing on a legislator who was found in violation of the ethics code. The report may also include recommended fines that the legislative body may impose if the legislator does not comply in a timely manner.

SECTION 50: AS 24.60.174 TIMETABLE FOR SANCTIONS This subsection requires the legislative body to report to the committee the sanctions and timetable for compliance it has adopted. It further requires the legislator to report compliance with the sanctions according to the timetable to the committee. If the committee determines the legislator or former legislator has

not complied fully nd in a timely manner, the committee may recommend that the legislative body impose a fine or additional sanctions.

SECTION 51: AS 24.60.176: RECOMMENDATIONS WHERE VIOLATOR IS A LEGISLATIVE EMPLOYEE. The current code sets out that the "appointing authority" determines sanctions to be imposed on a violator who is an employee. (Appointing authority is defined in AS 24.60.176(b) of this bill.) The proposed language in this section establishes that those listed in AS 24.60.176(b) have the authority to impose sanctions on violators who are legislative employees.

SECTION 52: AS 24.60.176(b): APPOINTING AUTHORITY. This new subsection defines which body or person is the appointing authority for each set of legislative employees.

SECTION 53: AS 24.60.178 SANCTIONS Current law does not set out possible sanctions that could be recommended by the committee. The new section lists sanctions the committee may make to the legislature for violations of the ethics code. The list includes; fines on members who violated the code, divestiture of specified assets or withdrawal from certain associations, additional disclosure, suspension or termination from legislative employment (if an employee), restitution or reimbursement, public or private written reprimand, censure, removal from committee positions, probation, expulsion or any other appropriate measure. Subsection (c) clarifies that the committee may recommend that the subject be required to pay all or some of the costs related to the investigation or adjudication of a complaint. The committee's intent is to allow those covered by the code to be aware of possible sanctions and to empower the legislature to impose or require any of the above sanctions on legislators, including fines.

SECTION 54: AS 24.60.200 FINANCIAL DISCLOSURE BY LEGISLATORS, LEGISLATIVE DIRECTORS AND RANGE 19 AND ABOVE LEGISLATIVE EMPLOYEES Under current law, legislators and legislative directors are required to annually file a complete financial disclosure statement to APOC. This statement is similar to the conflict of interest statements filed by statewide and local elected officials. The proposed changes to the APOC Legislative Financial Disclosure statement deal only with gifts. All other reporting under this section remains the same and remains the responsibility of APOC. The new language removes the responsibility for dealing with reports of any gifts from APOC. The corresponding change described above in AS 24.60.080(d) places that responsibility solely with the ethics committee. The amendment adds the same reporting requirements for Range 19 and above legislative employees and public members of the ethics committee and adds the requirement that spousal equivalent income is also reported.

SECTION 55: AS 24.60.210 DEADLINES FOR FILING. Adds Range 19 and above employees and public members of the ethics committee to the reporting deadline, and changes the deadline from April 15 to February 15. For those employees hired at a Range 19 after January 1, the reporting deadline is 60 days from date of being hired, or promoted, to a Range 19.

SECTION 56: AS 24.60.240. CIVIL PENALTY FOR LATE FILING. Adds Range 19 and above employees and public members of the ethics committee to those subject to civil penalties for late filing.

SECTION 57: AS 24.60.250 FAILURE TO FILE. Adds Range 19 and above employees and public members of the ethics committee to those who could forfeit nomination to office for failure to file report. (See 2/18/97 Cramer memo for discussion of this section)

SECTION 58: AS 24.60.260(a) FINES Current law does not include any penalty for late disclosures to the ethics committee. The proposed changes in this subsection and the new subsection AS 24.60.260(c) in this bill, would allow a person to file a late disclosure but that person would be subject to a fine or to having a complaint filed against them.

SECTION 59: AS 24.60.260(c) FINES Permits the committee to impose fines for late disclosures. Fines are not to exceed $2 per day to a maximum of $100 per late disclosure.

SECTION 60: AS 24.60.990(a)(5) IMMEDIATE FAMILY The change to the definition of immediate family affects, in current law, the contracts and leases section (24.60.040) and the section on nepotism, AS 24.60.090. The changes here conform with changes made in AS 24.60.080(g) of this bill.

SECTION 61: AS 24.60.990 LEGISLATIVE EMPLOYEE AND SPOUSAL EQUIVALENT Adds Range 19 employee and public members of the ethics committee to the definitions of who is required to file the annual Legislative Financial Report to APOC. Adds spousal equivalent to the list of those whose income must be reported if the reporter is required to filed the annual Legislative Financial Report to APOC. As amended on the senate floor, adds, definition of "state office" in relation to fundraising restrictions. **(Amended on senate floor)**

SECTION 62: AS 39.25.070: POWERS AND DUTIES OF THE PERSONNEL BOARD. Reflects the changes made in later sections of this bill, which replace the Attorney General with the Personnel Board for many of the duties related to handling executive branch ethics complaints. **(Added in Sen. Fin at suggestion of the drafter.)**

SECTION 63: AS 39.25.160 New subsection:**(j) STATE PERSONNEL ACT.** Amends the State Personnel Act by adding a specific prohibition on state employees engaging in campaign activities on behalf of political candidate on government time. Clarifies that Division of Election employees may carry out duties related to elections and members and employees of the Commission on Judicial Conduct may carry out duties related to evaluation of judges.

SECTION 64: AS 39.50.020 REPORT OF FINANCIAL AND BUSINESS INTERESTS. Subsection (a) Amends the non-legislative Conflict of Interest statutes. This section sets out that the public officials listed in AS 39.50.200 must file a financial report within 30 days after taking office as a public official. In reference to filing requirements for candidates, deletes the 30 day grace period for a "person who becomes a candidate by any other means" thereby requiring immediate filing. Subsection **(b)** sets outs that public officials are to file with APOC.

SECTION 65: AS 39.50.030(a) CONTENTS OF FINANCIAL STATEMENTS. Deletes the unnecessary reference to assets or liabilities under $500, household

goods and personal effects, to clarify that only those items listed in subsection (b) and (d) are to be reported. **(Amended by Sen. Fin to include (d))**

SECTION 66: AS 39.50.030(b) CONTENTS OF FINANCIAL STATEMENTS. Changes the reporting requirements for the executive branch public officials to the same level of legislators; interests over $1000. Previous reporting level was $100 for most income/interests and $500 for loans. Adds requirement for public officials to report any income of over $250 that is a *gift*. Deletes requirement for reporting of a state contract or natural resource lease held, bid or offered by the official's mother or father, adds reporting of state contract held, bid or offered by a partnership or professional corporation of which the official is a member. Adds official's spouse to the list of those the official must report if the spouse holds a natural resource lease.

SECTION 67: AS 39.50.030 CONTENTS OF FINANCIAL STATEMENTS. Added by Senate Finance at the request of APOC, this language provides a way for state officials to report a close economic association (as required in AS 39.52.155 of this bill) along with their conflict of interest statements on April 15, as opposed to filing a separate report on February 15. **(Added by Sen. Fin.)** Note overlap with Section 80

SECTION 68: AS 39.50.070 FAILURE TO REPORT BY CERTAIN STATE EMPLOYEES. Amends language to conform with changes on who must report, in Sections AS 39.50.020 and AS 39.50.200.

SECTION 69: AS 39.50.080 FAILURE TO REPORT BY A COMMISSION OR BOARD CHAIR OR MEMBER. Amends language to conform with changes on who must report, in Sections AS 39.50.020 and AS 39.50.200.

SECTION 70: AS 39.50.200((a)(8) DEFINITIONS. Combined with following section, changes the definition of who must file a financial report. Adds to the current list, all state employees in the executive branch in the exempt or partially exempt service who are at a Range 19 or above or who earn more than $4200 per month.

SECTION 71: AS 39.50.200(a)(10) DEFINITIONS. Combined with above section, changes the definition of who must file a financial report. Adds to the current list, all state employees in the executive branch in exempt or partially exempt service who are at a Range 19 or above or who earn more than $4200 per month.

SECTION 72: AS 39.52.010(a) FINDINGS AND PURPOSE. Generally adds the findings of the legislative ethics act to those in the executive branch ethics code.

SECTION 73: AS 39.52.110(c) SCOPE OF CODE. Conforming change related to removal of Attorney General from certain actions related to administering the executive ethics code.

SECTION 74: AS 39.52.120(b) MISUSE OF OFFICIAL POSITION. This section clarifies that the Governor and Lt. Governor may accept campaign contributions and that public officers and Lt. Governor and Governor may accept lawful gifts.

SECTION 75: AS 39.52.125 MISUSE OF OFFICIAL POSITION BY STATE OFFICIALS. New section. Adds a new section to the executive branch ethics code which sets out additional prohibitions for state officials (as defined at the end of this bill), as generally found in the legislative ethics act, and includes changes made to the legislative ethics act through this legislation.

SECTION 76: AS 39.52.130(c). GIFTS This section and other sections change the reporting, advising and enforcing authority relating to gifts for the executive branch from the Attorney General's office to the Personnel Board.

SECTION 77: AS 39.52.130(e-n) GIFTS . New subsections. Adds legislative gift restrictions and reporting requirements to existing restrictions for state officials. Sets out the list of gifts that are exempted from restrictions, including voluntary services, to the executive branch. The list matches the exempt list for the legislature, as proposed in this bill. Gifts from another government to be delivered to the Office of the Governor.

SECTION 78: AS 39.52 RESTRICTIONS ON FUNDRAISING. New Subsections. Section 39.52.132: Sets restrictions on campaign fundraising during session for state officials including the governor and lieutenant governor. **Section 39.52.134** prohibits a state official, other than the Governor or Lt. Governor, in the exempt or partially exempt service from filing a letter of intent or declaration of candidacy for the legislature. **Section 39.52.136** adds state officials to those that must comply with the open meetings law.

SECTION 79: AS 39.52.150(d) IMPROPER INFLUENCE IN STATE GRANTS, CONTRACTS, LEASES, LOANS. Requires reporting to the Personnel Board as well as to supervisor, a report of participation in state contracts, grants, leases, loans.

SECTION 80: AS 39.52.155 DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS. New Section: Requires state official to disclose, to supervisor and APOC, close economic associations with those listed in this section. Sets disclosure deadlines to conform with legislative ethics act. Subsection (c) requires state officials who are married to or living with a lobbyist to report the name of each employer of the lobbyist and the total monetary value received from the employer. Changes must be reported within 48 hours. APOC shall maintain a public record of the disclosures. Note overlap with Section 67.

SECTION 81: AS 39.52.170 OUTSIDE EMPLOYMENT RESTRICTED. (a) Adds a clause that restricts state officials from accepting outside employment if the compensation is significantly greater than the value of the services. Conforms with legislative ethics language. (b) Requires those who receive compensation for another job to report to both supervisor and Personnel Board.

SECTION 82: AS 39.52.170 (c) OUTSIDE EMPLOYMENT. Adds an honorarium restriction for state officials which matches legislative ethics act restriction.

SECTION 83: AS 39.52.180(b) RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. This references change in new subsection (d) below, restricting agencies from contracting with a former state official for lobbying services before a state agency or the legislature.

SECTION 84: AS 39.52.180(c) RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. References new subsection (d) below and sets a one year limit on waiving restrictions set out in this section regarding lobbying.

SECTION 85: AS 39.52.180 RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. New subsection. (d) restricts agencies from contracting with a former public officer for services which would include lobbying before a state agency or the legislature.

SECTION 86: AS 39.52.210(a-c) DECLARATION OF POTENTIAL VIOLATIONS. Requires public employees to report potential violations to Personnel Board as well as to supervisor. Requires supervisor to provide a copy of written determination of potential violation to public employee and personnel board.

SECTION 87: AS 39.52.220 DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS AND COMMISSIONS. Requires members of boards or commissions to disclose a matter that may result in a violation on the public record and in writing to supervisor and to the personnel board. Replaces AG office with Personnel Board as advisors in matters of potential violation.

SECTION 88: AS 39.52.230 REPORTING OF POTENTIAL VIOLATIONS. A complaint against a state official is filed with the supervisor. The supervisor is required to file a copy of the complaint with the personnel board.

SECTION 89: AS 39.52.240(a) ADVISORY OPINIONS. Adds state officials to those that may request an advisory opinion and sets the personnel board as the body to issue the opinion.

SECTION 90: AS 39.52.240(b) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the body offering oral advice.

SECTION 91: AS 39.52.240(c) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the advising body.

SECTION 92: AS 39.52.240(e) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the advising body

SECTION 93: AS 39.52.240(h) ADVISORY OPINIONS. Replaces the AG office with Personnel Board for purpose of publishing advisory opinions.

SECTION 94: AS 39.52.250 ADVICE TO FORMER PUBLIC OFFICERS. Replaces the AG office with the personnel board as the advising body.

SECTION 95: AS 39.52.260 DESIGNATED SUPERVISOR'S REPORT AND PERSONNEL BOARD REVIEW. Replaces the AG office with the personnel board as the body accepting reports of potential violations.

SECTIONS 96 -105: AS 39.52.310, 320,330,340. COMPLAINTS: The changes in these sections have the effect of removing the AG from handling complaints and placing that responsibility with the Personnel Board.

SECTION 106: AS 39.52.350: PROBABLE CAUSE FOR A HEARING Changes the current role of the AG from determining probable cause and initiating hearings to that of "prosecutor" in the hearing. Establishes the Personnel Board as the body to conduct the preliminary review, determine probable cause and initiate hearings.

SECTION 107: AS 39.52.920 AGENCY POLICIES Replaces the AG office with the Personnel Board as the body which reviews and approves agency policies that restrict a public officers acquisition of personal interest in certain entities and acceptance of gifts.

SECTION 108: AS 39.52.950. REGULATIONS. Limits the AG office to adopting regulations relating to complaints (for this act) and sets out that the personnel board may adopt regulations necessary to interpret and implement sections other than complaints.

SECTION 109: AS 39.52.960(11) DEFINITION OF IMMEDIATE FAMILY. Changes definition in the executive act to match the legislative act, as proposed in this bill.

SECTION 110: AS 39.52.960 (23) DEFINITION OF STATE OFFICIAL. Means governor, lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch or as the director of a division in a department in the executive branch, the chair or member of a state commission or board, the executive director of the Alaska Tourism Marketing Council, an assistant to the governor or lieutenant governor, a state investment officer, the state comptroller in the Department of Revenue, and a state employee who is not otherwise listed in this definition who is employed in a position in the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 19 A or above on the state salary schedule or at more than $4200 per month. (This may affect people at lower ranges who are further out in step) Does not include an employee who is a member of collective bargaining unit e.g. state ferry workers.

SECTION 111: AS 44.62.175(a) ALASKA ADMINISTRATIVE JOURNAL. Adds advisory opinions of the personnel board to the list of those things to be published in the journal.

SECTION 112: Temporary Law: AG OPINIONS. Sets out that a public officer or former public officer may rely upon the opinion of the AG's office prior to this act taking effect.

SECTION 113: Temporary Law: DISBURSEMENT OF UNUSED CAMPAIGN CONTRIBUTIONS Allows current legislators to transfer unused campaign contributions to a legislative office account under Sec. 3 of this act and requires the money transferred to be accounted for under AS 15.13.110(a)(4). **(Added by Sen. Fin, amended on senate floor to reflect changes in Secs 3 &4)**

SECTION 114: Temporary Law. Retroactive Date for Secs. 3, 4 and 113. Allows the increase in transfer to future election account and subsequent transfer of a portion of that increase to the office account to be retroactive to December 31, 1996. **(Added by Sen. Fin.)**

SECTION 115: Temporary Law. Immediate Effective Date for Secs. 3, 4, 113 and 114. **(Added by Sen. Fin.)**

SECTION 116: EFFECTIVE DATE: APOC has recommended that a January 1 effective date would correspond to their calendar year reporting and would avoid confusion for those who have to file the financial disclosure to APOC for the period of time between January 1 and whatever other date might be selected.

Alaska State Legislature

Select Committee on
Legislative Ethics

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Mailing Address:
P.O.Box 101468
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DATE: December 8, 1997

TO:

FROM: Susie Barnett, Staff
Select Committee on Legislative Ethics

RE: **Review of Ethics Bill, CSSB 105 (FIN) am**

An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state office; relating to the conduct of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official for employment security statutes and providing for an effective date.

This document is intended to supplement the bill, relating to changes to the Legislative Ethics Code, AS 24.60, the Executive Branch Ethics Act, AS 39.52 and the State Personnel Act, AS 39,25, the State Elections Act, AS 15.13.. The purpose of this document is to provide an ethics committee analysis of the bill. (Herein, "committee" refers to ethics committee.)

CAMPAIGN FINANCE SECTIONS

SECTION 1: AS 15.13.072.(d) RESTRICTIONS ON SOLICITATION AND ACCEPTANCE OF CONTRIBUTIONS. Amends the State Elections Act to expand the prohibition on candidates soliciting or accepting campaign contributions for election or reelection to **state office** while the legislature is in regular or special session. "State office" is defined in AS 15.13.400 of this bill to include the governor, lt. governor, legislators and similar state offices. (**amendment offered by Senator Donley, adopted on the senate floor**)

(Senate Finance had previously adopted an amendment which allowed incumbent legislators and certain legislative employees to solicit and accept contributions for non-legislative campaigns during session but retained a "fundraising during session restriction" on the governor and lt. governor.)

SECTION 2: AS 15,13,074(c) PROHIBITED CONTRIBUTIONS prohibits a person or group from contributing to a candidate for state office while the legislature is convened in its regular session. The prohibition currently applies only to candidates for the state legislature. (**amendment offered by Senator Donley, adopted on the senate floor**)

SECTION 3: AS 15.13.116(a) DISBURSEMENT OF CAMPAIGN ASSETS As amended on the senate floor, allows a transfer of unused campaign contributions to a legislative office account reserve, in accordance with the new subsection which follows. Secs. at the end of the bill allow this section and the section below to take effect immediately and to be retroactive to December 31, 1996. (**amendment offered by Senator Donley, adopted on the senate floor**)

(The Senate Finance Committee had previously adopted language to increase the portion of the unused campaign contribution that may be transferred to a future election account, from $10,000 to $30,000 for candidates for senate and from $5,000 to $15,000 for candidates for the house. The floor amendment deleted that language.)

SECTION 4: AS 15.13.116 DISBURSEMENT OF CAMPAIGN ASSETS New subsection (d) allows, but does not require, a legislator to transfer $5000 per year from the office account reserve to a legislative office account, with a limit of $20,000 for senators and $10,000 for representatives. (Current law 15.13.116 (9)(D) allows a one time transfer of funds to an office account at $5000 multiplied by the number of years in the term.) At the end of the legislator's term, a balance in the office account must be disposed of as provided in (a) (1)-(8) of this section, which includes paying campaign bills, victory party, charitable donations, repaying contributors, candidate defense fund, and future election accounts. Secs. at the end of this bill allow this section and the section above to take effect immediately and to be retroactive to December 31, 1996. (**Added by Sen. Fin., amended on the senate floor**)

SECTION 5: AS 15.13.400 DEFINITIONS Adds "state office" to the list of defined terms in the State Elections Law, relating to changes made in Secs. 1 and 2 of this bill. "State office" is defined as office of governor, lt. governor, member of the legislature or similar state office. (**As amended on the senate floor**)

Technical Change

SECTION 6: AS 23.20.526(d) EXCLUSIONS FROM DEFINITION OF EMPLOYMENT. Conforming amendment based on changes in this bill to the executive branch employment security statutes to ensure that the people who are not eligible for unemployment compensation remain ineligible.

SUBPOENA Power

SECTION 7: AS 24.25.010(e) SUBPOENA POWERS: The ethics code specifically grants the ethics committee the authority to subpoena witnesses under AS 24.60.150(b)(2). The statute to be amended by this bill sets out general authority for legislative subpoenas and includes a reference requiring the concurrence of the Senate President or Speaker of the House. Subsection(e) currently provides that the section does not apply to the Legislative Council or the Legislative Budget and Audit Committee. Like the ethics committee, both the council and LBA are permanent interim committees and both have express grants of authority to subpoena witnesses. It is the opinion of the ethics

committee and the committee's legal counsel, that not including the ethics committee in the AS 24.25.010(e) exemption was an oversight, given the specific grant of authority to subpoena witnesses in the ethics code itself. **(Proposed by Ethics Committee)**

Lobbying Laws

SECTION 8: AS 24.45 NEW SECTION 24.25.165. PROHIBITION ON LOBBYING ACTIVITY FOR SPOUSES AND COHABITANTS OF LEGISLATORS (a) Prohibits a spouse or a person cohabiting with a legislator from lobbying the executive branch or legislature. (b) defines "person cohabiting". **(Offered by Senator Phillips, adopted on senate floor)**

(The senate floor amendment deleted a previous Sen. Fin. amendment made at the request of APOC, to streamline the lobbyist related reporting requirements set out in AS 24.60.070(d) and AS 39.52.155 of this bill, for legislators, legislative employees and state officials. That language added a requirement that the lobbyist report on the lobbyists registration form, whether their spouse or spousal equivalent is a legislator, legislative employee or state official.)

SECTION 9*: AS 24.45.171(12) DEFINITIONS. Adds "another legislative employee subject to disclosure" to the definition of public official or public officer in relation to lobbying statutes. (see AS 24.60.990(a)(15) in this bill) **(Added by SSTA at the request of Senator Pearce)**

***Cramer notes that it would be clearer if this section was changed to refer to legislative employees who are "required to disclose" instead of employees who are "subject to disclosure."**

Legislative Code of Ethics

SECTION 10: AS 24.60.030 PROHIBITIONS/Legislative Ethics Code

Sub-para: (a)2)(A): As amended by Senate Finance, the use of state resources for personal purposes would be allowed if the use does not interfere with the performance of public duties and either the cost is nominal or the user reimburses the state for the cost. **(Amended by Sen. Fin.)**

Sub-para: (a)2)(C): As amended by Senate Finance, allows "facsimile" use for a nongovernmental use or private benefit if the use does not carry a special charge. **(Amended by Sen. Fin.)**

Sub-para:(a)(5)(A): As amended by Senate Finance, the use of state resources for political fundraising or campaigning purposes would be allowed if the use does not interfere with the performance of public duties and either the cost is nominal or the user reimburses the state for the cost. **(Amended by Sen. Fin.)**

Sub-para:(a)(5)(C): As amended by Senate Finance, allows "facsimile" use for political fundraising or campaign uses if the use does not carry a special charge. **(Amended by Sen. Fin.)**

Sub-para:(a)(5)(D): Allows storing and maintaining campaign records (such as APOC reports) in a legislator's office. The Senate Finance Committee deleted the language in the Sen. State Affairs CS which set out that the records could not be displayed publicly. **(Amended in Sen. Fin.)**

SECTION 11: AS 24.60.030(c) MASS MAILING: The ethics code currently prohibits use of state funds to print or distribute a mass mailing from or about a *legislator who is a candidate for state office*, during the period 90 days before the primary and ending the day after the general election. The proposed language expands the prohibition to include legislators and legislative employees who are candidates for federal and municipal offices or to telephone and electric cooperatives. While other sections of the ethics code clearly prohibit use of state funds for campaign purposes, this section highlights what are considered to be a critical periods and provides a guideline for those who issue mailings during those times. *This prohibition does not apply to a legislator's office allowance.* ***(Proposed by Ethics Committee)***

SECTION 12: AS 24.60.030(d) CAMPAIGN LITERATURE: The proposed change adds fundraising notices to the list of current prohibitions on distributing or posting campaign literature in state facilities. The prohibitions currently apply only to legislators or someone acting on behalf of a legislator. This expands that prohibition to include legislative employees. Allows legislators to post materials related to a past election in his/her private legislative office. ***(Proposed by Ethics Committee)***

SECTION 13: AS 24.60.030(f) BOARD MEMBERSHIP: The amendment clarifies that whose appointment to a board is disclosed in the journal do not need to make an additional disclosure to the committee. Refers to AS 24.60.105 in the bill, which changes the board membership disclosure period from 30 days to 60 days and requires the committee to publish the disclosures in the journal. ***(Proposed by Ethics Committee)***

SECTION 14: AS 24.60.030(g) CONFLICTS OF INTERESTS: The amendments to this section have the effect of changing the *prohibition* on taking legislative, administrative or political action to a *disclosure requirement* prior to taking action, if one has any of the "interests" listed in the amendment, which are expanded beyond equity or ownership interest to include employment, contracts and membership on a board. It also sets out that the disclosure is to be publicly announced if the action is being taken in a committee meeting or on the floor. Actions being taken other than in committee or on the floor, e.g. drafting a bill or testifying in an administrative hearing, would be disclosed, in writing to the ethics committee within 7 days. Disclosures, whether oral or written, must include the nature of the financial interest and a short description of how the action affects the interest. ***(Proposed by Ethics Committee)***

SECTION 15: AS 24.60.030 GOVERNMENT TIME Under the proposed language, when determining in a complaint proceeding whether an employee was performing a task on government time, the committee would consider the schedule set by the employee's supervisor. Requires an employee to take leave for the period of time he/she is engaged in political campaign activities, other than incidental campaign activities. Political campaign activities are permissible on government time if the activities are part of the normal legislative duties, including answering phone calls and handling incoming correspondence. ***(Proposed by Ethics Committee)***

SECTION 16: AS 24.60.031(a) FUNDRAISING DURING SESSION The proposed language

clarifies that the restrictions on fundraising during session are in effect on a day when either house is in regular or special session. A legislator or legislative employee may not solicit or accept contributions to state office campaigns during session, may not accept money from events held for state office political purposes during session and may not expend money for state office campaigns if the money was raised during session. (**As amended on the senate floor to expand restriction from "non-legislative" to "state office"**)

SECTION 17: AS 24.60.039 EMPLOYMENT DISCRIMINATION The Ethics Committee shares jurisdiction with the Human Rights Commission on complaints filed against a legislator or legislative employee concerning violations of the employment discrimination statute, AS 18.80.220. Current law requires the committee to deal with a complaint alleging a violation of that statute in the same manner they would deal with any other complaint. The proposed language gives the committee the option to refer those who file a complaint of employment discrimination to the Human Rights Commission and defer consideration of the complaint until after the commission has completed its proceedings. (***Proposed by Ethics Committee***)

SECTION 18: AS 24.60.040(a) CONTRACTS AND LEASES The proposed language broadens the contract and lease criteria beyond the current code, which restricts a legislator or legislative employee from having a financial interest in a state contract or lease unless:

- ~it is let through competitive bidding in accordance with the Procurement Code or
- ~it is worth $1000 or less annually or
- ~it is standardized, under publicly established guidelines and generally available to the public at large.

The new language allows participation in contracts or leases that are let under AS 36.30, the State Procurement Code, which addresses a variety of award methods, including sole-source. It also allows participation in contracts and lease that are let under similar procedures to those in AS 36.30 which addresses such agencies as the University, the railroad and the legislature. The new language sets a new reporting threshold at $5000, changed from the previous $1000.

This bill eases the 'family member' disclosure requirement to generally read; A legislator or legislative employee who knows, or reasonably ought to know, that a family member is participating in a state contract or lease must disclose that participation.

This relaxing of prohibitions is balanced by the new disclosure requirement. Currently a legislator or legislative employee does not disclose to the ethics committee participation in contracts or leases permitted by the code. The proposed language requires disclosure by the legislator, legislative employee and family members of participation in any state contract or lease over $5000 annually. (***Proposed by Ethics Committee***)

SECTION 19: AS 24.60.040, CONTRACTS AND LEASES. The new subsection clarifies that a grant, contract or lease that falls under one of the State Loan or Benefit Programs in AS 24.60.050, is not subject to this section. (The committee publishes a list of programs that do not meet the criteria in AS

24.60.050 and requires disclosure of participation in any of the listed programs.) It also clarifies that for the purposes of complying with the ethics code, a grant that results in a contract is subject to this section. ***(Proposed by Ethics Committee)***

SECTION 20: AS 24.60.050(c) REFRAIN FROM PUBLICATION Allows the committee to protect an individual's right to privacy concerning participation in state loan and benefit programs and sets confirming disclosure date. This follows an advisory opinion issued by the committee in 1994 explaining that it chose to not publish the name of a person who received a benefit from the Violent Crimes Compensation Committee but did publish that a person covered by the ethics code had received a benefit. ***(Proposed by Ethics Committee)***

SECTION 21: AS 24.60.060(b) PROTECTIVE ORDER The subject of an ethics complaint would be in violation of the code for releasing information deemed confidential under a protective order issued by the committee. This change would allow the committee to broaden discovery by the subject while still protecting any innocent, or 'not involved' parties. ***(Proposed by Ethics Committee)***

SECTION 22: AS 24.60.070(b) DEADLINE FOR CLOSE ECONOMIC ASSOCIATION: The current code required disclosure of close economic associations but did not set a deadline. New deadline is set deadlines in AS 24.60.105 of this bill. The February 15 deadline is in line with others and the 60 day disclosure for new associations matches the new language for disclosures throughout the bill. ***(Proposed by Ethics Committee)***

SECTION 23: AS 24.60.070. SPOUSAL/SPOUSAL EQUIVALENT LOBBYIST. This new section would require legislative employees who are married to or who are the spousal equivalents of a lobbyist, to disclose, under Close Economic Association, the name and address of each of the lobbyist's clients and the total monetary value received from each client annually. Changes to the list would have to be reported within 48 hours. (**Amended on senate floor** to delete "legislators" from reporting requirement due to ban on a legislator's spouse or equivalent lobbying.)

SECTION 24: AS 24.60.080(a): GIFTS The bill increases the gift limit from $100 to $250 annually. The language also clarifies that those gifts that come under subsection (c); hospitality, discounts, food shared as a cultural norm, travel/hospitality for obtaining information on legislative matters, gifts from immediate family and gifts not connected to legislative status are exceptions to the general prohibition on accepting gifts. Gifts on behalf of a charitable organization (new subsection (h)) are exempted from both "accepting and soliciting" prohibitions. New language has been added that restricts legislators and legislative employees from accepting, from a lobbyist during session, anything of monetary value other than food or beverage for immediate consumption, to comply with APOC requirements in AS 24.45.121(a)(9). ***(Proposed by Ethics Committee)***

SECTION 25: AS 24.60.080(c) GIFT EXEMPTIONS The amendment to sub-paragraph(1)(A) clarifies that a stay in a vacation home located outside the state, is not an exempted gift. Amendment to sub-paragraph (2)(B) would

allow legislators and legislative employees to accept discounts while on state business if the discount benefits the state. Paragraph (7) allows legislators and personal staff of legislators (not other legislative employees) to accept discounts and welcoming gifts in the capitol city during session. (***Proposed by Ethics Committee)***

SECTION 26: AS 24.60.080(d) GIFT REPORTING The changes in this section correspond to those made in previous sections e.g. $250 limit and changing reporting date for gifts not related to legislative status to February 15 deadline and the change from reporting gifts to APOC.

Currently, a legislator or legislative employee who receives a gift of over $100 "not related to legislative status" is required to report, confidentially, the name of donor and description of the gift received under this category. If the gift has a value of over $250, the actual value must also be reported. The new language requires reporting, confidentially, only the name of donor and description of gift for all gifts over $250 not related to legislative status.

Proposed changes to Sections 200-260 (discussed further down in this document) of the ethics code, remove APOC out from under the responsibility of dealing with reports of gifts received by legislators and legislative directors. This is an effort to ease confusion over what is reported to whom. Under the proposed changes, all gifts would be reported to the ethics committee. Copies of the non-confidential gift disclosures will be forwarded to APOC. Senate Finance, at the request of APOC, added the disclosures of gifts of "legislative employees" who are required to file financial disclosure statement to those that the ethics committee must provide copies of to APOC. **(As amended by Sen. Fin.)**

SECTION 27: AS 24.60.080(e) Low Budget Campaigns This is a technical change in response to the new campaign finance reform law, to allow certain contributions to "small budget" campaigns to fall within the "contribution" definition. **(technical change)**

SECTION 28: AS 24.60.080(f) Government Gifts Allows acceptance of gift from a foreign government, the U.S. government or another state government for protocol purposes so long as the gift is delivered to the legislative council within 60 day. This bill increases the threshold to $250 to correspond with other changes relating to gifts. (***Proposed by Ethics Committee)***

SECTION 29: AS 24.60.080(g) FAMILY Defines the terms in the Gifts Section "Immediate family or family member", which includes cohabitators, when used in relation to gifts received from immediate family and the new subsections in AS 24.60.080: inheritance from a family member (i) or gifts received by a family member (k). . (***Proposed by Ethics Committee)***

SECTION 30: AS 24.60.080 GIFTS. New Subsections

(h) Permits soliciting and accepting gifts on behalf of charitable organizations, which is in accordance with an advisory opinion issued by the committee. Allows the committee to set guidelines concerning these types of gifts.

(i) Requires reporting of receipt, but not value of, an inheritance from

a person other than a family member. The current statute does not address inheritance. This information is currently required under APOC reporting of gifts The bill reflects the change from reporting gifts to APOC.

(j) Sets out that gifts of volunteer services for legislative purposes may be accepted by a legislator, legislative committee or legislative agency as a gift to the state, so long as the person donating the services is not paid by another source. Allows a legislator, legislative committee or legislative agency to accept a UA Intern or JTPA trainee as well as any other educational trainees the committee approves. To maintain confidentiality, the ethics committee is not permitted to accept volunteer services.

This subsection requires volunteers, interns, and educational trainees to generally comply with the ethics code, with the exceptions of the following sections: contracts and leases, close economic associations, nepotism or representation before state agencies. The nepotism exemption allows family members to volunteer their time to legislative offices.

(k) The current law does not specifically address whether gifts, from another source, to a family member or spousal equivalent of a legislator or legislative employee fall within the restrictions and/or reporting requirements. The proposed language requires disclosure by a legislator or legislative employee who knows, or reasonably ought to know, that a family member has received a gift because of the family member's connection to the legislator or legislative employee. The bill provides this guideline: if the gift was given directly to the legislator or employee and if it would have to be reported by the legislator or employee, then the same gift, if the gift was given to a family member because of his/her connection to a legislator or legislative employee, would require disclosure. In other words, gifts of travel for matters of legislative concern given to allow the spouse to travel with the legislator, would have to be reported. The same holds true for gifts that legislators or legislative employees would be prohibited from accepting, that are received by family members. For example, gift of over $250 given to the spouse of a legislator, primarily because of the connection to the legislator, would have to be reported.

The language, "or reasonably ought to know", concerning family members reduces the burden on those covered by the ethics code to research gifts provided to family members with whom there is little or no contact.

(l) Sets out that the value of the gift is fair market value, to the extent that fair market value can be determined. An example of how this might apply is; a tourism company provides a one hour helicopter ride to show a legislator the area in which they would like to expand their tours. The legislator would use the rate charged to helicopter passengers for a one hour tour in reporting the gift.

(Changes in this section proposed by Ethics Committee)

SECTION 31: AS 24.60.085(a) EARNED INCOME AND HONORARIA The amendments in this section would allow legislators and legislative employees to accept compensation that is less than fees generally charged. The effect of this change would be to allow an attorney to do pro bono work or an engineer to charge a reduced rate for review of plans for a non-profit organization. ***(Proposed by Ethics Committee)***

SECTION 32: AS 24.60.100 REPRESENTATION Current law does not set reporting deadlines for representation before a state agency. This change corresponds to the other changes of February 15 and 60 days for new representation, see new

section 24.60.105 of this bill. (***Proposed by Ethics Committee)***

SECTION 33: AS 24.60.105 DEADLINES FOR FILING DISCLOSURES Sets out a reporting deadline of February 15 for disclosures of interests in state contracts, leases, programs and loans, representations of clients, close economic associations and membership on a board. Interests begun or acquired during the regular session (except for the last 30 days) must be reported within 30 days. (***Proposed by Ethics Committee)***

SECTION 34: AS 24.60.130(f). COMMITTEE PER DIEM AND TRAVEL The language corrects a drafting oversight by formalizing the public members' entitlement to receive per diem and travel compensation, as has been customary with legislative committees that have non-legislative members, such as the Code Revision Committee. The public members are not entitled to be paid for their time in service to the committee. AS 39.20.180 sets the rates and terms for per diem and travel for state boards and commissions. The change would apply those rates and terms to the public members of the committee. (***Proposed by Ethics Committee)***

SECTION 35: AS 24.60.130(h). MEMBER DISQUALIFICATION
The new language prohibits an ethics committee member from participating in a complaint proceeding against a subject of a complaint who is supervised by the member. The process for appointing a new member to serve on the ethics committee in the place of a disqualified member is in new subsection AS 24.60.130(o) of this bill. . (***Proposed by Ethics Committee)***

SECTION 36: AS 24.60.130(o) APPOINTMENT OF COMMITTEE ALTERNATES The current law sets out that if a member is disqualified during session, the presiding officer, with 2/3 concurrence, appoints another member for that proceeding. If disqualification is during interim, the presiding officer appoints a new member with the concurrence of that house's subcommittee. Involving either body of the legislature defeats confidentiality and allows public knowledge that the disqualified member may be the subject of the complaint. The new language directs the presiding officers to appoint alternates to the committee who will serve when the chair of the committee or subcommittee designates them, due to a legislative member being disqualified in a complaint proceeding. The designation of the alternate by the chair is confidential. (***Proposed by Ethics Committee)***

SECTION 37: AS 24.60.134(a) RESTRICTIONS ON THE COMMITTEE. The proposed language strengthens the political restrictions on the public members, staff to the committee and those under contract to the committee, by clarifying that prohibitions of participation in political management or in a political campaign extend to ballot initiatives and to campaigns for federal, state and local offices, regardless of whether the campaign is partisan or nonpartisan. A public member, employee or contractor to the committee may not attend a fundraiser or make a contribution to a political party, a candidate for the legislature, an incumbent legislator or legislative employee who is a candidate for another public office or a person running for another office against an incumbent legislator or legislative employee. The restriction on lobbying activities also remains the same as current law. (***Proposed by Ethics Committee)***

SECTION 38: AS 24.60.134(c) RESTRICTIONS: NEW SUBSECTION The proposed language permits a contractor with the ethics committee to request the committee to exempt some members of the corporation or partnership from having to comply with some or all prohibitions against political activity. The committee has contracted for outside legal counsel with an attorney who is part of a large firm with branch offices outside of Alaska. A strict reading of current law might mandate all employees of that law firm to comply with the restrictions in the Alaska legislative ethics code. ***(Proposed by Ethics Committee)***

SECTION 39: AS 24.60.150(b) GUIDELINES Permits the committee to adopt guidelines to implement this entire chapter under a public process. A person who acted within the guidelines could not be penalized for violating the ethics code. The current procedure of issuing Advisory Opinions allows interpretations based only on the facts presented by a requester. Situations have come up wherein the committee feels guidelines, based on a broad set of circumstances and an interpretation of the law, would assist those covered by the code in avoiding inadvertent violations. ***(Proposed by Ethics Committee)***

SECTION 40: AS 24.60.160 ADVISORY OPINIONS The proposed language in this section allows the committee to issue an advisory opinion to a person who anticipates becoming a legislative employee, 45 days prior to employment. Current law restricts the committee to issuing advisory opinions to those already in legislative employment, legislators and legislators-elect. Current law sets 30 days as the response time for the committee to a request for an advisory opinion. The proposed change allows the committee 60 days to respond.

The new language in subsection(b) clarifies that the committee retains the authority to restrict attendance during deliberations in executive session on an advisory opinion.

(Proposed by Ethics Committee)

SECTION 41: AS 24.60.170(a) COMPLAINTS: COMMITTEE JURISDICTION Current law requires the committee to process a complaint received, even if against all members of the legislature or all members of one house of the legislature. The proposed change, prohibiting the committee to consider a complaint of that nature, would allow the committee to return the complaint without action. Current law prohibits considering a complaint against a terminated legislative employee. Proposed language would allow the committee to reinstate a complaint that was closed upon an employee's termination, if the employee was rehired within five years of date the complaint was filed. In other words, if an employee quit to avoid complaint proceedings and the employee was rehired 6 months later, the committee may take up the initial complaint again. New language also allows the committee to follow the same procedure with a former legislator who resumes legislative service within five years of the date of the complaint. This change would affect former staffers who have been elected to the legislature and former legislators who have been employed as staffers. ***(Proposed by Ethics Committee)***

SECTION 42: AS 24.60.170(b) COMPLAINANT New language clarifies that the complainant must sign a statement that he/she has reason to believe that a violation has occurred and places a responsibility on the committee to notify

the complainant that he/she may have to testify during proceedings. ***(Proposed by Ethics Committee)***

SECTION 43: AS 24.60.170(c) COMPLAINTS: PRELIMINARY EXAM/DISMISSAL The proposed change would put into law the current adopted procedure of the committee, which is to assign complaints to staff for preliminary examination for legal sufficiency and credibility of information. Staff would then make a recommendation to the committee based on information and evidence contained in the complaint. Staff and the committee would be specifically permitted to solicit additional information from the complainant and the subject. The subject is not obligated to provide information. The new language clarifies that the committee is permitted to dismiss frivolous complaints and complaints that lack credible information. Further clarifies, as is current practice, that proceedings under this subsection are confidential and that confidentiality may be waived by the subject in compliance with AS 24.60.170(i), the subsection dealing with discovery by the subject. ***(Proposed by Ethics Committee)***

SECTION 44: AS 24.60.170(f) LACK OF PROBABLE CAUSE Clarifies that the deliberations and vote on the dismissal order and decision on a finding of "lack of probable cause that a violation of the ethics code occurred" are not open to the public or to the subject of the complaint. ***(Proposed by Ethics Committee)***

SECTION 45: AS 24.60.170(g) CORRECTIVE ACTIONS: Clarifies procedures in the event a person, after a finding of probable cause of a violation of the ethics code, agrees to comply with the committee's recommended corrective actions but later fails to complete the corrective action. Under the new language the committee may formally charge the person or refer the matter to the appropriate house of the legislature or appointing authority. It empowers the legislature or the appointing authority to enforce the actions or to decline to enforce and refer the matter back to the committee. If it is referred back to the committee, the committee retains the power to formally charge the person. ***(Proposed by Ethics Committee)***

SECTION 46: AS 24.60.170(h) CORRECTIVE ACTIONS Conforms sub-paragraph (h) to the new language in AS 24.60.170(g), empowering the committee to formally charge a person who fails to complete corrective actions. ***(Proposed by Ethics Committee)***

SECTION 47: AS 24.60.170(i) DISCOVERY Subsection (i) in current law is unclear as to when the subject of a complaint may engage in discovery. The committee feels the appropriate time for discovery and what seems to be the intent of the code, is at the point a person is formally charged. The change from subsection (b) to subsection (h) would clarify that intent. However, the new language permits the committee to adopt procedures concerning discovery which include allowing discovery at an earlier stage than formal charges and imposing reasonable restrictions on release of information to the subject of a complaint, to protect the privacy of persons not under investigation. The Senate Finance Committee amended subsection (i)(3) by adding a requirement that the committee could not impose restrictions on discovery by the subject unless the person agreed to be bound by similar restrictions concerning release of information and the person has not made public the information in

or about the complaint or the filing of the complaint. The committee notes that they usually do not have jurisdiction over the complainant nor is the complainant involved in discovery. (**Amended by Sen. Fin.**)

SECTION 48: AS 24.60.170(l) ATTENDANCE AT EXECUTIVE SESSIONS and WAIVER OF CONFIDENTIALITY. The Uniform Rules set out that a legislator may not be excluded from an executive session. The proposed language clarifies that all meetings of the committee concerning complaints are closed to the public and to legislators who are not committee members. Under this amendment, the committee may permit the subject of a complaint to attend a meeting, unless the committee is in deliberations on probable cause that a violation occurred. The language limits the power of the complainant to waive confidentiality for others. (***Proposed by Ethics Committee***)

SECTION 49: AS 24.60.174(a) TIMETABLE FOR SANCTIONS This sets out a procedure for the ethics committee and the legislature to follow concerning sanctions on legislators. The committee must include a timetable for compliance reports when it submits a report recommending sanctions to a legislative body to consider imposing on a legislator who was found in violation of the ethics code. The report may also include recommended fines that the legislative body may impose if the legislator does not comply in a timely manner. (***Proposed by Ethics Committee***)

SECTION 50: AS 24.60.174 TIMETABLE FOR SANCTIONS This subsection requires the legislative body to report to the committee the sanctions and timetable for compliance it has adopted. It further requires the legislator to report compliance with the sanctions according to the timetable to the committee. If the committee determines the legislator or former legislator has not complied fully and in a timely manner, the committee may recommend that the legislative body impose a fine or additional sanctions. (***Proposed by Ethics Committee***)

SECTION 51: AS 24.60.176: RECOMMENDATIONS WHERE VIOLATOR IS A LEGISLATIVE EMPLOYEE. The current code sets out that the "appointing authority" determines sanctions to be imposed on a violator who is an employee. (Appointing authority is defined in AS 24.60.176(b) of this bill.) The proposed language in this section establishes that those listed in AS 24.60.176(b) have the authority to impose sanctions on violators who are legislative employees. (***Proposed by Ethics Committee***)

SECTION 52: AS 24.60.176(b): APPOINTING AUTHORITY. This new subsection defines which body or person is the appointing authority for each set of legislative employees. (***Proposed by Ethics Committee***)

SECTION 53: AS 24.60.178 SANCTIONS Current law does not set out possible sanctions that could be recommended by the committee. The new section lists sanctions the committee may make to the legislature for violations of the ethics code. The list includes; fines on members who violated the code, divestiture of specified assets or withdrawal from certain associations, additional disclosure, suspension or termination from legislative employment (if an employee), restitution or reimbursement, public or private written reprimand, censure, removal from committee positions, probation, expulsion or any other appropriate measure. Subsection (c) clarifies that the committee may recommend that the subject be required to pay all or some of the costs related

to the investigation or adjudication of a complaint. The committee's intent is to allow those covered by the code to be aware of possible sanctions and to empower the legislature to impose or require any of the above sanctions on legislators, including fines. ***(Proposed by Ethics Committee)***

Legislative Financial Disclosure

SECTION 54: AS 24.60.200 FINANCIAL DISCLOSURE BY LEGISLATORS, LEGISLATIVE DIRECTORS AND RANGE 19 AND ABOVE LEGISLATIVE EMPLOYEES Under current law, legislators and legislative directors are required to annually file a complete financial disclosure statement to APOC. This statement is similar to the conflict of interest statements filed by statewide and local elected officials. The proposed changes to the APOC Legislative Financial Disclosure statement deal only with gifts. All other reporting under this section remains the same and remains the responsibility of APOC. The new language removes the responsibility for dealing with reports of any gifts from APOC. The corresponding change described above in AS 24.60.080(d) places that responsibility solely with the ethics committee. The amendment adds the same reporting requirements for Range 19 and above legislative employees and public members of the ethics committee and adds the requirement that spousal equivalent income is also reported. ***(Proposed by Ethics Committee)***

SECTION 55: AS 24.60.210 DEADLINES FOR FILING. Adds Range 19 and above employees and public members of the ethics committee to the reporting deadline, and changes the deadline from April 15 to February 15. For those employees hired at a Range 19 after January 1, the reporting deadline is 60 days from date of being hired, or promoted, to a Range 19. ***(Proposed by Ethics Committee)***

SECTION 56: AS 24.60.240. CIVIL PENALTY FOR LATE FILING. Adds Range 19 and above employees and public members of the ethics committee to those subject to civil penalties for late filing. ***(Proposed by Ethics Committee)***

SECTION 57: AS 24.60.250 FAILURE TO FILE. Adds Range 19 and above employees and public members of the ethics committee to those who could forfeit nomination to office for failure to file report. (See 2/18/97 Cramer memo for discussion of this section) ***(Proposed by Ethics Committee)***

SECTION 58: AS 24.60.260(a) FINES Current law does not include any penalty for late disclosures to the ethics committee. The proposed changes in this subsection and the new subsection AS 24.60.260(c) in this bill, would allow a person to file a late disclosure but that person would be subject to a fine or to having a complaint filed against them. ***(Proposed by Ethics Committee)***

SECTION 59: AS 24.60.260(c) FINES Permits the committee to impose fines for late disclosures. Fines are not to exceed $2 per day to a maximum of $100 per late disclosure. ***(Proposed by Ethics Committee)***

Legislative Ethics Definitions

SECTION 60: AS 24.60.990(a)(5) IMMEDIATE FAMILY The change to the definition of immediate family affects, in current law, the contracts and leases section

(24.60.040) and the section on nepotism, AS 24.60.090. The changes here conform with changes made in AS 24.60.080(g) of this bill. (***Proposed by Ethics Committee***)

SECTION 61: AS 24.60.990 LEGISLATIVE EMPLOYEE AND SPOUSAL EQUIVALENT Adds Range 19 employee and public members of the ethics committee to the definitions of who is required to file the annual Legislative Financial Report to APOC. Adds spousal equivalent to the list of those whose income must be reported if the reporter is required to filed the annual Legislative Financial Report to APOC. As amended on the senate floor, adds, definition of "state office" in relation to fundraising restrictions. (**Amended on senate floor**)

State Personnel Board

SECTION 62: AS 39.25.070: POWERS AND DUTIES OF THE PERSONNEL BOARD. Reflects the changes made in later sections of this bill, which replace the Attorney General with the Personnel Board for many of the duties related to handling executive branch ethics complaints. (**Added in Sen. Fin at suggestion of the drafter.**)

Prohibiting Political Campaigning by State Employees

SECTION 63: AS 39.25.160 New subsection:**(j) STATE PERSONNEL ACT.** Amends the State Personnel Act by adding a specific prohibition on state employees engaging in campaign activities on behalf of political candidate on government time. Clarifies that Division of Election employees may carry out duties related to elections and members and employees of the Commission on Judicial Conduct may carry out duties related to evaluation of judges. **(Added in SSTA)**

Conflict of Interest and Financial Disclosure

SECTION 64: AS 39.50.020 REPORT OF FINANCIAL AND BUSINESS INTERESTS. Subsection (a) Amends the non-legislative Conflict of Interest statutes. This section sets out that the public officials listed in AS 39.50.200 must file a financial report within 30 days after taking office as a public official. In reference to filing requirements for candidates, deletes the 30 day grace period for a "person who becomes a candidate by any other means" thereby requiring immediate filing. Subsection **(b)** sets outs that public officials are to file with APOC. **(Added in SSTA)**

SECTION 65: AS 39.50.030(a) CONTENTS OF FINANCIAL STATEMENTS. Deletes the unnecessary reference to assets or liabilities under $500, household goods and personal effects, to clarify that only those items listed in subsection (b) and (d) are to be reported. (**Amended by Sen. Fin to include (d)**)

SECTION 66: AS 39.50.030(b) CONTENTS OF FINANCIAL STATEMENTS. Changes the reporting requirements for the executive branch public officials to the same level of legislators; interests over $1000. Previous reporting level was $100 for most income/interests and $500 for loans. Adds requirement for public officials to report any income of over $250 that is a *gift*. Deletes requirement for reporting of a state contract or natural resource lease held, bid or offered by the official's mother or father, adds reporting of state contract held, bid or offered by a partnership or professional corporation of

which the official is a member. Adds official's spouse to the list of those the official must report if the spouse holds a natural resource lease. **(Added in SSTA)**

SECTION 67: AS 39.50.030 CONTENTS OF FINANCIAL STATEMENTS. Added by Senate Finance at the request of APOC, this language provides a way for state officials to report a close economic association (as required in AS 39.52.155 of this bill) along with their conflict of interest statements on April 15, as opposed to filing a separate report on February 15. **(Added by Sen. Fin.)** Note overlap with Section 80

SECTION 68: AS 39.50.070 FAILURE TO REPORT BY CERTAIN STATE EMPLOYEES. Amends language to conform with changes on who must report, in Sections AS 39.50.020 and AS 39.50.200. **(Added in SSTA)**

SECTION 69: AS 39.50.080 FAILURE TO REPORT BY A COMMISSION OR BOARD CHAIR OR MEMBER. Amends language to conform with changes on who must report, in Sections AS 39.50.020 and AS 39.50.200. **(Added in SSTA)**

SECTION 70: AS 39.50.200((a)(8) DEFINITIONS. Combined with following section, changes the definition of who must file a financial report. Adds to the current list, all state employees in the executive branch in the exempt or partially exempt service who are at a Range 19 or above or who earn more than $4200 per month. **(Added in SSTA)**

SECTION 71: AS 39.50.200(a)(10) DEFINITIONS. Combined with above section, changes the definition of who must file a financial report. Adds to the current list, all state employees in the executive branch in exempt or partially exempt service who are at a Range 19 or above or who earn more than $4200 per month. **(Added in SSTA)**

Executive Branch Ethics Act

SECTION 72: AS 39.52.010(a) FINDINGS AND PURPOSE. Generally adds the findings of the legislative ethics act to those in the executive branch ethics code. **(Added in SSTA)**

SECTION 73: AS 39.52.110(c) SCOPE OF CODE. Conforming change related to removal of Attorney General from certain actions related to administering the executive ethics code. **(Added in SSTA)**

SECTION 74: AS 39.52.120(b) MISUSE OF OFFICIAL POSITION. This section clarifies that the Governor and Lt. Governor may accept campaign contributions and that public officers and Lt. Governor and Governor may accept lawful gifts. **(Added in SSTA)**

SECTION 75: AS 39.52.125 MISUSE OF OFFICIAL POSITION BY STATE OFFICIALS. New section. Adds a new section to the executive branch ethics code which sets out additional prohibitions for state officials (as defined at the end of this bill), as generally found in the legislative ethics act, and includes changes made to the legislative ethics act through this legislation. **(Added in SSTA)**

SECTION 76: AS 39.52.130(c). GIFTS This section and other sections change the

reporting, advising and enforcing authority relating to gifts for the executive branch from the Attorney General's office to the Personnel Board. **(Added in SSTA)**

SECTION 77: AS 39.52.130(e-n) GIFTS . New subsections. Adds legislative gift restrictions and reporting requirements to existing restrictions for state officials. Sets out the list of gifts that are exempted from restrictions, including voluntary services, to the executive branch. The list matches the exempt list for the legislature, as proposed in this bill. Gifts from another government to be delivered to the Office of the Governor. **(Added in SSTA)**

SECTION 78: AS 39.52 RESTRICTIONS ON FUNDRAISING. New Subsections. Section 39.52.132: Sets restrictions on campaign fundraising during session for state officials including the governor and lieutenant governor. **Section 39.52.134** prohibits a state official, other than the Governor or Lt. Governor, in the exempt or partially exempt service from filing a letter of intent or declaration of candidacy for the legislature. **Section 39.52.136** adds state officials to those that must comply with the open meetings law. **(Added in SSTA)**

SECTION 79: AS 39.52.150(d) IMPROPER INFLUENCE IN STATE GRANTS, CONTRACTS, LEASES, LOANS. Requires reporting to the Personnel Board as well as to supervisor, a report of participation in state contracts, grants, leases, loans. **(Added in SSTA)**

SECTION 80: AS 39.52.155 DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS. New Section: Requires state official to disclose, to supervisor and APOC, close economic associations with those listed in this section. Sets disclosure deadlines to conform with legislative ethics act. Subsection (c) requires state officials who are married to or living with a lobbyist to report the name of each employer of the lobbyist and the total monetary value received from the employer. Changes must be reported within 48 hours. APOC shall maintain a public record of the disclosures. Note overlap with Section 67. **(Added in SSTA)**

SECTION 81: AS 39.52.170 OUTSIDE EMPLOYMENT RESTRICTED. (a) Adds a clause that restricts state officials from accepting outside employment if the compensation is significantly greater than the value of the services. Conforms with legislative ethics language. (b) Requires those who receive compensation for another job to report to both supervisor and Personnel Board. **(Added in SSTA)**

SECTION 82: AS 39.52.170 (c) OUTSIDE EMPLOYMENT. Adds an honorarium restriction for state officials which matches legislative ethics act restriction. **(Added in SSTA)**

SECTION 83: AS 39.52.180(b) RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. This references change in new subsection (d) below, restricting agencies from contracting with a former state official for lobbying services before a state agency or the legislature. **(Added in SSTA)**

SECTION 84: AS 39.52.180(c) RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. References new subsection (d) below and sets a one year limit on

waiving restrictions set out in this section regarding lobbying. **(Added in SSTA)**

SECTION 85: AS 39.52.180 RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. New subsection. (d) restricts agencies from contracting with a former public officer for services which would include lobbying before a state agency or the legislature. **(Added in SSTA)**

SECTION 86: AS 39.52.210(a-c) DECLARATION OF POTENTIAL VIOLATIONS. Requires public employees to report potential violations to Personnel Board as well as to supervisor. Requires supervisor to provide a copy of written determination of potential violation to public employee and personnel board. **(Added in SSTA)**

SECTION 87: AS 39.52.220 DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS AND COMMISSIONS. Requires members of boards or commissions to disclose a matter that may result in a violation on the public record and in writing to supervisor and to the personnel board. Replaces AG office with Personnel Board as advisors in matters of potential violation.

SECTION 88: AS 39.52.230 REPORTING OF POTENTIAL VIOLATIONS. A complaint against a state official is filed with the supervisor. The supervisor is required to file a copy of the complaint with the personnel board.

SECTION 89: AS 39.52.240(a) ADVISORY OPINIONS. Adds state officials to those that may request an advisory opinion and sets the personnel board as the body to issue the opinion. **(Added in SSTA)**

SECTION 90: AS 39.52.240(b) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the body offering oral advice. **(Added in SSTA)**

SECTION 91: AS 39.52.240(c) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the advising body. **(Added in SSTA)**

SECTION 92: AS 39.52.240(e) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the advising body **(Added in SSTA)**

SECTION 93: AS 39.52.240(h) ADVISORY OPINIONS. Replaces the AG office with Personnel Board for purpose of publishing advisory opinions. **(Added in SSTA)**

SECTION 94: AS 39.52.250 ADVICE TO FORMER PUBLIC OFFICERS. Replaces the AG office with the personnel board as the advising body. **(Added in SSTA)**

SECTION 95: AS 39.52.260 DESIGNATED SUPERVISOR'S REPORT AND PERSONNEL BOARD REVIEW. Replaces the AG office with the personnel board as the body accepting reports of potential violations. **(Added in SSTA)**

SECTIONS 96 -105: AS 39.52.310, 320,330,340. COMPLAINTS: The changes in these sections have the effect of removing the AG from handling complaints and placing that responsibility with the Personnel Board. **(Added in SSTA)**

SECTION 106: AS 39.52.350: PROBABLE CAUSE FOR A HEARING Changes the current role of the AG from determining probable cause and initiating hearings to that of "prosecutor" in the hearing. Establishes the Personnel Board as the body to

conduct the preliminary review, determine probable cause and initiate hearings. **(Added in SSTA)**

SECTION 107: AS 39.52.920 AGENCY POLICIES Replaces the AG office with the Personnel Board as the body which reviews and approves agency policies that restrict a public officers acquisition of personal interest in certain entities and acceptance of gifts. **(Added in SSTA)**

SECTION 108: AS 39.52.950. REGULATIONS. Limits the AG office to adopting regulations relating to complaints (for this act) and sets out that the personnel board may adopt regulations necessary to interpret and implement sections other than complaints. **(Added in SSTA)**

SECTION 109: AS 39.52.960(11) DEFINITION OF IMMEDIATE FAMILY. Changes definition in the executive act to match the legislative act, as proposed in this bill. **(Added in SSTA)**

SECTION 110: AS 39.52.960 (23) DEFINITION OF STATE OFFICIAL. Means governor, lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch or as the director of a division in a department in the executive branch, the chair or member of a state commission or board, the executive director of the Alaska Tourism Marketing Council, an assistant to the governor or lieutenant governor, a state investment officer, the state comptroller in the Department of Revenue, and a state employee who is not otherwise listed in this definition who is employed in a position in the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 19 A or above on the state salary schedule or at more than $4200 per month. (This may affect people at lower ranges who are further out in step) Does not include an employee who is a member of collective bargaining unit e.g. state ferry workers. **(Added in SSTA)**

Other Statutes

SECTION 111: AS 44.62.175(a) ALASKA ADMINISTRATIVE JOURNAL. Adds advisory opinions of the personnel board to the list of those things to be published in the journal.

Transition Sections and Effective Dates

SECTION 112: Temporary Law: AG OPINIONS. Sets out that a public officer or former public officer may rely upon the opinion of the AG's office prior to this act taking effect. **(Added in SSTA)**

SECTION 113: Temporary Law: DISBURSEMENT OF UNUSED CAMPAIGN CONTRIBUTIONS Allows current legislators to transfer unused campaign contributions to a legislative office account under Sec. 3 of this act and requires the money transferred to be accounted for under AS 15.13.110(a)(4). **(Added by Sen. Fin, amended on senate floor to reflect changes in Secs 3 &4)**

SECTION 114: Temporary Law. Retroactive Date for Secs. 3, 4 and 113. Allows the increase in transfer to future election account and subsequent transfer of a portion of that increase to the office account to be retroactive to December 31, 1996. (**Added by Sen. Fin.**)

SECTION 115: Temporary Law. Immediate Effective Date for Secs. 3, 4, 113 and 114. (**Added by Sen. Fin.**)

SECTION 116: EFFECTIVE DATE: APOC has recommended that a January 1 effective date would correspond to their calendar year reporting and would avoid confusion for those who have to file the financial disclosure to APOC for the period of time between January 1 and whatever other date might be selected.

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April 29, 1997

The Honorable Jeannette James
Alaska House of Representatives
State Capitol, Room 102
Juneau, Alaska 99801-1182

Dear Representative James:

Thank you for meeting with me and Charlie Cole yesterday. I appreciate your concern about the amendments to the Executive Branch Ethics Act contained in SB 105.

After session ends, I will prepare a packet of materials for you on the Executive Branch Ethics Act, and would appreciate an opportunity to sit down with you and explain how the Act works. In addition, I would be happy to meet with you during the interim to help craft a bill that meets your requirements. I agree with your comments yesterday that an ethics bill must be carefully drafted.

I warn you in advance that my expertise begins and ends with the Executive Branch Ethics Act. I know very little about the Legislative Ethics Act or the campaign finance matters that make up the bulk of SB 105, but I can find the right person to answer questions you may have about those areas.

Thank you again for taking time out of your busy schedule. Please call me any time to discuss ethics questions.

Very truly yours,

Stephen C. Slotnick
Assistant Attorney General

SCS/smw

03-C5LH

Neil Slotnik — 465 — 6710

A.G. for Ethics

Met w/ him 9/12/97 —
in North Pole.
Will have suggested revisions —
much of last 10 pages as
already covered in Exec.
Procedures Act.

Jeannette –

You and I will need to sit down and strategize on the Ethics bill – we have lots of amendments we want in it.

Thanks – Jan

Jeanette,

If you are going to include SB 105 (Ethics) I have an amendment I'd like to talk to you about.

Brian

GAIL PHILLIPS
SPEAKER OF THE HOUSE

Rep. J. James
4/28/97

Copy for Caucus

MEMORANDUM

Representative John Cowdery

TO: Majority Caucus
FROM: Rep. Cowdery JC
DATE: Jan 5, 1997
RE: Ethics Law Issues
Cc:

Jeannette - Pls go thru these suggestions from John to see if they should be incorporated into the Ethics bill. Thanks - Gail

Rec'd 1/7/97

1. Currently, if a member keeps the $6K office expenses in an LAA account, instead of taking it as personal income, he/she is open to ethics charges depending on how it is spent. Whereas, if a member takes the $6K as personal income and pays taxes on it, he/she is free from any constraints of the ethics law.

Not possible

Recommendation: The $6K office account should be exempt from the ethics law.

2. Legislators are subject to personal animosity or prejudice from each other just like people in any other arena. If a charge is filed with the Ethics Committee and the legislator being charged feels that a member of the committee bears a grudge, the charged legislator should have the right to pre-empt suspect members of the committee; legislative or public members.

Done

Recommendation: Change law to provide three alternates for the house members, three for the senate members and three for the public members.

3. The Ethics Committee should not have a blank check book to spend $24K on a $200 violation.

(Can't this be prescribed by Rules?)

Solved:

Recommendation: Require the Ethics Committee to come to Legislative Council for approval to spend more than ?$5K to pursue a case. 1. Staff will meet to vote first - 2. Subject may have to pay costs.

4. Current law requires the reporting of expenditures above $100 annually between legislators and legislators, and, legislators and staff.

Recommendation: Eliminate the reporting requirement for these two groups.

Now raised to $250.

STATE OF ALASKA
ROUTE SLIP

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By DAVID K		Telephone

02-002 (Rev. 10/95)

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 105 (FIN)am

Revision Date: _____
Department Affected: Administration
Title: An Act relating to legislative and executive branch ethics, . . .
BRU: Personnel
Component: Personnel
Sponsor: Sen. Rules Comm. by Req. of Select Comm. on Leg Ethics
Requestor: House State Affairs Committee
COMPONENT SERIAL NO. 56

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	116.3	236.9	236.9	236.9	236.9	236.9
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	7.6	15.2	15.2	15.2	15.2	15.2
SUPPLIES	.8	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	151.2	268.7	268.7	268.7	268.7	268.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	151.2	268.7	268.7	268.7	268.7	268.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	151.2	268.7	268.7	268.7	268.7	268.7

Estimate of any current year (FY 97) cost: $0.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Sections 62, 63, and 72-112 of CSSB 105(FIN)am amend the Executive Branch Ethics Act (AS 39.52) and make conforming amendments to the Personnel Act (AS 39.52) and the Alaska Administrative Journal publication requirements (AS 44.62.175). Additional ethics prohibitions are added, additional reporting is required, more people are covered under certain provisions, and much work is transferred from the attorney general to the Personnel Board. These changes in workload are summarized as follows:

Section 75. New prohibitions added. New requirement for review by the Personnel Board of certain political mass mailings. New disclosures to the Personnel Board added.

Section 76. Additional persons can request guidance concerning whether acceptance of a particular gift is prohibited. The work is transferred from the attorney general to the Personnel Board.

Prepared by: Beverly Reaume
Phone: 465-4429
Division: Division of Personnel
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration
Date: 4/30/97

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ANALYSIS: (continued)

Section 77. New prohibitions added. New reporting to the Personnel Board added. New requirement for guidance by the Personnel Board on recognized, nonpolitical charitable organizations. New reporting requirement on inheritances. New requirement for the Personnel Board to approve training programs for gifts of volunteer services.
Section 78. New prohibitions added.
Section 79. Duplicate reporting (to Personnel Board) of personal or financial interests in grants, contracts, or loans.
Section 80. New disclosure requirements added.
Section 81. New prohibitions added. Duplicate reporting to the Personnel Board added.
Section 82. New prohibition added.
Sections 83-85. New restrictions added on post-separation employment.
Section 86. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a public employee's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 87. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a member of a board or commission's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 88. Providing Personnel Board with copy of report of potential violation added.
Sections 89, 92, 93, and 94. Responsibility to issue interpretative opinions transferred to the Personnel Board. Additional persons can request opinions.
Section 90. Option of oral advice transferred to Personnel Board.
Section 95. Receipt, review, and public summary of reports of designated supervisors transferred from the attorney general to the Personnel Board.
Section 96. Authority to initiate a complaint transferred from the attorney general to the Personnel Board.
Section 97. Executive Branch Ethics Act complaints to be filed with the Personnel Board instead of the attorney general.
Section 98. Responsibility to investigate a complaint against the governor, lieutenant governor, or attorney general transferred from independent counsel to the Personnel Board.
Section 99. Responsibility to review Executive Branch Ethics Act complaints for completeness and threshold allegations transferred from the attorney general to the Personnel Board.
Section 100. Option of referring a complaint to a designated supervisor transferred from the attorney general to the Personnel Board.
Section 101. Service of a complaint transferred from the attorney general to the Personnel Board.
Section 102. Responsibility for investigation of a compliant with authority to issue a subpoena transferred from the attorney general to the Personnel Board.
Section 103. Authority to dismiss a compliant for lack of probably cause transferred from the attorney general to the Personnel Board.
Section 104. Authority to direct corrective action without hearing transferred form the attorney general to the Personnel Board.
Section 105. Responsibility for maintaining confidentiality during an investigation transferred from the attorney general to the Personnel Board.
Section 106. Authority to initiate formal action on a finding of probably cause transferred from the attorney general to the Personnel Board.
Section 107. Authority to review and approve agency policies on conflicts of interest transferred from the attorney general to the Personnel Board.
Section 108. Regulation adoption authority transferred from the attorney general to the Personnel Board. Additional regulation authority added.
Section 109. Definition of "immediate family member" rewritten. The current records of Department of Law lose their precedential value.
Section 110. Definition of "state official" added to include more positions subject to reporting.

We estimate the need for four positions and associated costs for the Personnel Board to carry out these new requirements. The Personnel Board is authorized to employ staff members by AS 39.25.070(7). One position would be an attorney who would do the legal research and drafting of advice as directed by the Personnel Board. A paralegal position would be responsible for assisting in the legal research and ensuring that all noticing requirements are properly completed. A clerical position would be responsible for the maintenance of the physical files. An investigator will conduct all the investigations, both to determine if a complaint, if true, would constitute a violation and to determine if a violation did indeed occur.

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 105 (FIN)am

We estimate the need for the Personnel Board to meet on a monthly basis under the changes proposed here. Two of three meetings could probably be conducted by teleconference. A quarterly meeting in person would be required. Estimated public notice expenses and travel expenses are included.

Since a January 1, 1998, effective date is proposed (Section 116 of CSSB 105(FIN)am), the FY 98 costs are estimated for one-half year. Costs for FY 99 and beyond are estimated full year costs.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 105 (FIN)am

Revision Date: 1/29/98 (update for 2nd Session)
Title: An Act relating to legislative and executive branch ethics, . . .
Sponsor: Sen. Rules Comm. by Req. of Select Comm. on Leg Ethics
Requestor: House State Affairs Committee

Department Affected: Administration
BRU: Personnel
Component: Personnel
COMPONENT SERIAL NO. 2265

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	122.3	248.7	248.7	248.7	248.7	248.7
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	7.6	15.2	15.2	15.2	15.2	15.2
SUPPLIES	.8	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	157.2	280.5	280.5	280.5	280.5	280.5
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	157.2	280.5	280.5	280.5	280.5	280.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	157.2	280.5	280.5	280.5	280.5	280.5

Estimate of any current year (FY 97) cost: $0.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Assumption: effective date sections 114-116 will be amended to one year later.

Sections 62, 63, and 72-112 of CSSB 105(FIN)am amend the Executive Branch Ethics Act (AS 39.52) and make conforming amendments to the Personnel Act (AS 39.25) and the Alaska Administrative Journal publication requirements (AS 44.62.175). Additional ethics prohibitions are added, additional reporting is required, more people are covered under certain provisions, and much work is transferred from the attorney general to the Personnel Board. These changes in workload are summarized as follows:

Section 75. New prohibitions added. New requirement for review by the Personnel Board of certain political mass mailings. New disclosures to the Personnel Board added.

Prepared by: Beverly Reaume
Division: Division of Personnel
Phone: 465-4429
Date:

Approved by Commissioner: Mark Bover
Agency: Department of Administration
Date: 2/5/98

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ANALYSIS: (continued)

Section 77. New prohibitions added. New reporting to the Personnel Board added. New requirement for guidance by the
Personnel Board on recognized, nonpolitical charitable organizations. New reporting requirement on inheritances. New requirement for the Personnel Board to approve training programs for gifts of volunteer services.
Section 78. New prohibitions added.
Section 79. Duplicate reporting (to Personnel Board) of personal or financial interests in grants, contracts, or loans.
Section 80. New disclosure requirements added.
Section 81. New prohibitions added. Duplicate reporting to the Personnel Board added.
Section 82. New prohibition added.
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Section 86. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a public employee's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 87. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a member of a board or commission's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 88. Providing Personnel Board with copy of report of potential violation added.
Sections 89, 92, 93, and 94. Responsibility to issue interpretative opinions transferred to the Personnel Board. Additional persons can request opinions.
Section 90. Option of oral advice transferred to Personnel Board.
Section 95. Receipt, review, and public summary of reports of designated supervisors transferred from the attorney general to the Personnel Board.
Section 96. Authority to initiate a complaint transferred from the attorney general to the Personnel Board.
Section 97. Executive Branch Ethics Act complaints to be filed with the Personnel Board instead of the attorney general.
Section 98. Responsibility to investigate a complaint against the governor, lieutenant governor, or attorney general transferred from independent counsel to the Personnel Board.
Section 99. Responsibility to review Executive Branch Ethics Act complaints for completeness and threshold allegations transferred from the attorney general to the Personnel Board.
Section 100. Option of referring a complaint to a designated supervisor transferred from the attorney general to the Personnel Board.
Section 101. Service of a complaint transferred from the attorney general to the Personnel Board.
Section 102. Responsibility for investigation of a compliant with authority to issue a subpoena transferred from the attorney general to the Personnel Board.
Section 103. Authority to dismiss a compliant for lack of probably cause transferred from the attorney general to the Personnel Board.
Section 104. Authority to direct corrective action without hearing transferred form the attorney general to the Personnel Board.
Section 105. Responsibility for maintaining confidentiality during an investigation transferred from the attorney general to the Personnel Board.
Section 106. Authority to initiate formal action on a finding of probably cause transferred from the attorney general to the Personnel Board.
Section 107. Authority to review and approve agency policies on conflicts of interest transferred from the attorney general to the Personnel Board.
Section 108. Regulation adoption authority transferred from the attorney general to the Personnel Board. Additional regulation authority added.
Section 109. Definition of "immediate family member" rewritten. The current records of Department of Law lose their precedential value.
Section 110. Definition of "state official" added to include more positions subject to reporting.

We estimate the need for four positions and associated costs for the Personnel Board to carry out these new

requirements. The Personnel Board is authorized to employ staff members by AS 39.25.070(7). One position would be an attorney who would do the legal research and drafting of advice as directed by the Personnel Board. A paralegal position would be responsible for assisting in the legal research and ensuring that all noticing requirements are properly completed. A clerical position would be responsible for the maintenance of the physical files. An investigator will conduct all the investigations, both to determine if a complaint, if true, would constitute a violation and to determine if a violation did indeed occur.

We estimate the need for the Personnel Board to meet on a monthly basis under the changes proposed here. Two of three meetings could probably be conducted by teleconference. A quarterly meeting in person would be required. Estimated public notice expenses and travel expenses are included.

We assume that the effective date will be amended to January 1, 1999 (Section 116 of CSSB 105(FIN)am). Therefore, the FY 99 costs are estimated for one-half year. Costs for FY 00 and beyond are estimated full year costs.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Bill Version: CSSB 105(FIN) am
(S) Publish Date: 4/16/97

Revision Date:
Title: "An Act relating to legislative and executive branch ethics; relating to the conduct of lobbyists . . .
Sponsor: Senate Rules Committee
Requester: Senate Finance Committee

Dept. Affected: Department of Law
BRU: Civil Division
Component: General Legal Services
COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: $ 0.0

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSSB 105 (STA) makes numerous amendments to the legislative and executive branch ethics acts, expands the reporting requirements of lobbyists, requires exempt and partially exempt state employees above range 19 to file reports under the conflict of interest statutes (AS 39.50), and makes a conforming amendment to the definition of "public official" for employment security statutes. In amending the executive branch ethics act, the bill transfers certain responsibilities for enforcing the act from the Attorney General to the Personnel Board. The Attorney General retains prosecutorial authority in formal proceedings before the Board, and responsibility for enforcing the Board's decisions. CSSB 105 (STA) also adds new prohibitions, new reporting requirements, new disclosures, and expands list of persons affected by the act.

This bill will have no fiscal impact on the Department of Law. When the Executive Ethics Act was passed in 1986, the legislature did not provide funding to the Department of Law to perform its new responsibilities. Consequently, the department has largely relied on ethics supervisors in the appropriate state agencies to

Prepared by: Joan M. Kasson — Phone: 465-5370
Division: Administrative Services Division — Date: 4/9/97

Approved by Commissioner: Bruce M. Botelho, Attorney General — Date: 4/9/97
Agency: Department of Law

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ANALYSIS CONTINUATION:

perform investigations; where possible, charged other agencies through interagency agreements for work performed under the act on their behalf; and when necessary to undertake the department's duties with scarce general funds, performed them at the expense of other work.

The Department of Law retains responsibility for certain functions under the State Affairs Committee Substitute including prosecuting ethics violations before the Board, seeking civil and criminal penalties, where appropriate, and as a practical matter, continuing to provide informal advice on the Ethics Act to agencies as well. The department hopes to continue to largely rely on interagency agreements to fund these activities.

FISCAL NOTE

No. 5

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. Bill Version: CSSB 105(FIN)
(S) Publish Date: 4/16/97

Revision Date:
Title: **Legislative Ethics Code Reform**
Sponsor: **Senate Rules Committee**
Requestor: **Senate Finance Committee**

Department Affected: **Labor**
BRU: **Employment Security**
Component: **Employment/Unemployment Services**
COMPONENT SERIAL NO. **1807**

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: $ None

ANALYSIS: The bill amends standards and establishes new standards in three major areas: AS 24.60, governing legislative standards of conduct, the conflict of interest provisions in AS 39.50, and the Executive Branch Ethics Act in AS 39.52.

No fiscal impact is anticipated.

Prepared by: Rebecca Nance, Director — Phone: 465-2711
Division: Employment Security Division — Date: 4/4/97

Approved by Commissioner: for Tom Cashen, Commissioner
Agency: Department of Labor — Date: 4/4/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 4
Bill Version: CSSB105(FIN)
(S) Publish Date: 4/16/97

Revision Date:
Title: "An Act relating to legislative ethics..."

Sponsor: (S) Rules by Request of Legislative Ethics
Requestor: (S) FIN

Department Affected: Administration
BRU: Alaska Public Offices Commission
Component: Alaska Public Offices Commission

COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	43.1	71.6	76.1	76.1	76.1	76.1
TRAVEL	2.2	2.2	2.2	2.2	2.2	2.2
CONTRACTUAL	7.4	7.4	7.4	7.4	7.4	7.4
SUPPLIES	1.6	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	4.6					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	58.9	82.8	87.3	87.3	87.3	87.3
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	58.9	82.8	87.3	87.3	87.3	87.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	58.9	82.8	87.3	87.3	87.3	87.3

Estimate of any current year (FY 97) cost: $ 0

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Karen Boorman
Division: Alaska Public Offices Commission
Phone: 276-4176
Date:

Approved by Commissioner: Mark Bover
Agency: Department of Administration
Date: 4/1/97

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FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 105(STA) *H

1997 LEGISLATIVE SESSION

ANALYSIS: (continued)
Partially Exempt and Exempt Executive Branch Employees Range 19 and over must file Conflict of Interest Statements (COI). Legislative Employees Range 19 and over must file Legislative Financial Disclosure Statements (LFD). State Officials must file a disclosures of close economic association.

There are several parts of this bill which would impact the Alaska Public Offices Commission. Section 55, amending AS 24.60.990(a), and Section 63, amending AS 39.50.200(a), require that legislative employees and state employees compensated at Range 19 and above or at more than $4200 a month file personal financial disclosure statements. Section 72, adding AS 39.52.155 requires that all state employees who file personal financial disclosure statements also file disclosures of close economic association with the APOC.

Currently, the Commission receives about 800 personal financial disclosure statements from all state filers including 65 from legislators and legislative directors. Approximately 1200 municipal officials file municipal financial disclosure statements.

Under the proposed changes to AS 24.60 an additional 192 legislative employees, Range 19 and above, plus 10% turnover per year and an estimated 50% turnover every two years would be required to file annual Legislative Financial Disclosure (LFD) Reports. An additional 658 state employees plus 10% annual turnover would be required to file annual Conflict of Interest (COI) Statements under AS 39.50. In addition, under AS 39.52, up to 1488 state employees would be required to file annual disclosures of close economic association and update them within sixty days of forming new close economic associations.

Current staffing to advise and train filers, provide manuals and forms, review completed statements, assess penalties and report to the Commission is provided by one Paralegal Assistant. At current staffing levels, review of many municipal filings is not possible and review of state filings is delayed The addition of these new legislative employee and state employee filers more than doubles the number of individuals filing personal financial disclosure statements.

These provisions will take effect midway through FY 98, on January 1, 1998. The first major filing deadlines for filers under the new requirements would be 30 days after appointment or notification for state employees and 60 days after appointment for legislative employees. Over the following six months, approximately 725 new COI Interest Statements and 212 new LFD Reports would be due. This would require extensive education of all new filers. Additional manuals and forms would be necessary to provide immediate help. To provide long term guidance and enforcement, the Commission would engage in civil penalty assessments, advisory opinions and adjudication of complaints. Up to 1488 state official filers would have to file "disclosures of close economic association" with APOC and their designated ethics supervisor. APOC would make these available to the public.

Additional staff is needed to support these changes. An Administrative Clerk III Range 10 would be responsible for processing filed statements as well as accurate and prompt input of data. This person would assist in evaluating Conflict of Interest and Legislative Financial Disclosure Statements to determine their accuracy, obtain more information from filers whose statements are inaccurate, and provide information to the public about filers' Statements. This would be a seven month position the first year, twelve months thereafter.

A nine month full time seasonal Paralegal Assistant, Range 13, is needed to deal with the increase in Conflict of Interest and Legislative Financial Disclosure filers. This seasonal position would be active from December to August when filing demands are the greatest. This seasonal paralegal would compare and examine reports, interpret statutes and regulations, draft informal advice and proposed advisory opinions, and prepare civil penalty recommendations and orders for approval by the Commission. This would be a six month position the first year.

Additional funds are requested for travel and training of new legislative filers in Juneau and new state employee filers in Juneau and Fairbanks. Equipment costs in FY98 cover two filing cabinets, two telephones and installation of lines, a computer and its installation. Contractual and supply costs cover printing and mailing of new manuals, forms and other necessary correspondence for FY98 and subsequent years.

FISCAL NOTE

No. 3
Bill Version: CSSB 105(STA)
(S) Publish Date: 3/26/97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date:
Department Affected: Administration
Title: An Act relating to legislative and executive branch ethics, . . .
BRU: Personnel
Component: Personnel
Sponsor: Sen. Rules Comm. by Req. of Select Comm. on Leg Ethics
Requestor: Senate State Affairs Committee
COMPONENT SERIAL NO. 56

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	116.3	236.9	236.9	236.9	236.9	236.9
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	7.6	15.2	15.2	15.2	15.2	15.2
SUPPLIES	.8	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	151.2	268.7	268.7	268.7	268.7	268.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	152.2	268.7	268.7	268.7	268.7	268.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	152.2	268.7	268.7	268.7	268.7	268.7

Estimate of any current year (FY 97) cost: $0.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This analysis is based on the draft amendments identified as O-LS0074\B.2 by Cramer, 3/18/97. Bill Section numbers may not match the numbers in the final committee substitute.

Sections 64-102 of the draft amendments amend the Executive Branch Ethics Act. Additional prohibitions are added, additional reported is required, more people are covered under certain provisions, and much work is transferred from the attorney general to the Personnel Board. These changes in workload are summarized as follows:

Section 67. New prohibitions added. New requirement for review by the Personnel Board of certain political mass mailings. New disclosures to the Personnel Board added.

Section 68. Additional persons can request guidance concerning whether acceptance of a particular gift is prohibited. The work is transferred from the attorney general to the Personnel Board.

Prepared by: Beverly Reaume
Phone: 465-4429
Division: Division of Personnel
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration
Date: 3/24/97

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MIKEY\FN\CSSB105fn doc

ANALYSIS: (continued)

Section 69. New prohibitions added. New reporting to the Personnel Board added. New requirement for guidance by the Personnel Board on recognized, nonpolitical charitable organizations. New reporting requirement on inheritances. New requirement for the Personnel Board to approve training programs for gifts of volunteer services.
Section 70. New prohibitions added.
Section 71. Duplicate reporting (to Per. onnel Board) of personal or financial interests in grants, contract, or loans.
Section 72. New disclosure requirements added.
Section 73. New prohibitions added. Duplicate reporting to the Personnel Board added.
Section 74. New prohibition added.
Sections 75-77. New restrictions added on post separation employment.
Section 78. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a public employee's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 79. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a member of a board or commission's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 80. Providing Personnel Board with copy of report of potential violation added.
Section 81, 84, 85, 86. Responsibility to issue interpretative opinions transferred to the Personnel Board. Additional persons can request opinions.
Sections 82. Option of oral advice transferred to Personnel Board.
Section 87. Receipt, review, and public summary of reports of designated supervisors transferred from the attorney general to the Personnel Board.
Section 88. Authority to initiate a complaint transferred from the attorney general to the Personnel Board.
Section 89. Executive Branch Ethics Act complaints to be filed with the Personnel Board instead of the attorney general.
Section 90. Responsibility to investigate a complaint against the governor, lieutenant governor, or attorney general transferred from independent counsel to the Personnel Board.
Section 91. Responsibility to review Executive Branch Ethics Act complaints for completeness and threshold allegations transferred form the attorney general to the Personnel Board.
Section 92. Option of referring a complaint to a designated supervisor transferred from the attorney general to the Personnel Board.
Section 93. Service of a complaint transferred from the attorney general to the Personnel Board.
Section 94. Responsibility for investigation of a compliant with authority to issue a subpoena transferred from the attorney general to the Personnel Board.
Section 95. Authority to dismiss a compliant for lack of probably cause transferred from the attorney general to the Personnel Board.
Section 96. Authority to direct corrective action without hearing transferred form the attorney general to the Personnel Board.
Section 97. Responsibility for maintaining confidentiality during an investigation transferred from the attorney general to the Personnel Board.
Section 98. Authority to initiate formal action on a finding of probably cause transferred from the attorney general to the Personnel Board.
Section 99. Authority to review and approve agency policies on conflicts of interest transferred from the attorney general to the Personnel Board.
Section 100. Regulation adoption authority transferred from the attorney general to the Personnel Board. Additional regulation authority added.
Section 101. Definition of "immediate family member" rewritten. The current records of Department of Law lose their precedential value.
Section 102. Definition of "state official" added to include more positions subject to reporting.

We estimate the need for four positions and associated costs for the Personnel Board to carry out these new requirements. The Personnel Board is authorized to employ staff members by AS 39.25.070(7). One position would be an attorney who would do the legal research and drafting of advice as directed by the Personnel Board. A paralegal position would be responsible for assisting in the legal research and ensuring that all noticing requirements are properly completed. A clerical position would be responsible for the maintenance of the physical files. An investigator will conduct all the investigations, both to determine if a complaint, if true, would constitute a violation and to determine if a violation did indeed occur.

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CS SB105 (SA) #2

We estimate the need for the Personnel Board to meet on a monthly basis under the changes proposed here. Two of three meetings could probably be conducted by teleconference. A quarterly meeting in person would be required. Estimated public notice expenses and travel expenses are included.

Since a January 1, 1998, effective date is proposed (Section 54 of SB 105), the FY 98 costs are estimated for one-half year. Costs for FY 99 and beyond are estimated full year costs.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

NO. No. 2
BILL VERSION: Bill Version: SB 105
PUBLISH DATE: (S) Publish Date: 3/26/97

Revision Date:
Title: "An Act relating to legislative ethics: relating to the filing of disclosures by certain legislative...
Sponsor: Senate Rules Committee
Requestor: Senate State Affairs

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Schofield, Deputy Director Phone: 465-3852
Division: Administrative Services Date: 3/10/97

Approved By: Pamela A. Varni, Executive Director
Agency: Legislative Affairs Agency Date: 3/10/97

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov. , & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 105(FIN) am

Revision Date (Note if correction) _____ Dept. Affected Law
Title "An Act relating to legislative and executive branch eithics; relating to the conduct of lobbyists... BRU Civil Division
Component All
Sponsor Senate Rules Committee
Requester House State Affairs Component Serial No.

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

CSSB 105 (FIN) am makes numerous amendments to the legislative and executive branch ethics acts, expands the reporting requirements of lobbyists, requires exempt and partially exempt state employees above range 19 to file reports under the conflict of interest statutes (AS 39.50), and makes a conforming amendment to the definition of "public official" for employment security statutes. In amending the executive branch ethics act, the bill transfers certain responsibilities for enforcing the act from the Attorney General to the Personnel Board. The Attorney General retains prosecutorial authority in formal proceedings before the Board, and responsibility for enforcing the Board's decisions. CSSB 105 (FIN) am also adds new prohibitions, new reporting requirements, new disclosures, and expands list of persons affected by the act.

This bill will have no fiscal impact on the Department of Law. When the Executive Ethics Act was passed in 1986 the

Prepared by Joan M. Kasson Phone 465-5370
Division Attorney General's Office Date 2/2/98
Approved by Commissioner Bruce M. Botelho, Attorney General Date 2/2/98
Agency Department of Law

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ANALYSIS CONTINUATION

legislature did not provide funding to the Department of Law to perform its new responsibilities. Consequently, the department has largely relied on ethics supervisors in the appropriate state agencies to perform investigations; where possible, charged other agencies through interagency agreements for work performed under the act on their behalf; and when necessary to undertake the department's duties with scarce general funds, performed them at the expense of other work.

The Department of Law retains responsibility for certain functions under the Finance Committee Substitute as amended, including prosecuting ethics violations before the Board, seeking civil and criminal penalties, where appropriate, and as a practical matter, continuing to provide informal advice on the Ethics Act to agencies as well. The department hopes to continue to largely rely on interagency agreements to fund these activities.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 105 (FIN)am

Revision Date: 1/29/98 (update for 2nd Session)
Title: An Act relating to legislative and executive branch ethics, . . .
Sponsor: Sen. Rules Comm. by Req. of Select Comm. on Leg Ethics
Requestor: House State Affairs Committee

Department Affected: Administration
BRU: Personnel
Component: Personnel
COMPONENT SERIAL NO. 2265

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	122.3	248.7	248.7	248.7	248.7	248.7
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	7.6	15.2	15.2	15.2	15.2	15.2
SUPPLIES	.8	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	157.2	280.5	280.5	280.5	280.5	280.5
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	157.2	280.5	280.5	280.5	280.5	280.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	157.2	280.5	280.5	280.5	280.5	280.5

Estimate of any current year (FY 97) cost: $0.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Assumption: effective date sections 114-116 will be amended to one year later.

Sections 62, 63, and 72-112 of CSSB 105(FIN)am amend the Executive Branch Ethics Act (AS 39.52) and make conforming amendments to the Personnel Act (AS 39.25) and the Alaska Administrative Journal publication requirements (AS 44.62.175). Additional ethics prohibitions are added, additional reporting is required, more people are covered under certain provisions, and much work is transferred from the attorney general to the Personnel Board. These changes in workload are summarized as follows:

Section 75. New prohibitions added. New requirement for review by the Personnel Board of certain political mass mailings. New disclosures to the Personnel Board added.

Prepared by: Beverly Reaume
Division: Division of Personnel
Phone: 465-4429
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration
Date: 2/5/98

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ANALYSIS: (continued)

Section 77. New prohibitions added. New reporting to the Personnel Board added. New requirement for guidance by the
Personnel Board on recognized, nonpolitical charitable organizations. New reporting requirement on inheritances. New requirement for the Personnel Board to approve training programs for gifts of volunteer services.
Section 78. New prohibitions added.
Section 79. Duplicate reporting (to Personnel Board) of personal or financial interests in grants, contracts, or loans.
Section 80. New disclosure requirements added.
Section 81. New prohibitions added. Duplicate reporting to the Personnel Board added.
Section 82. New prohibition added.
Sections 83-85. New restrictions added on post-separation employment.
Section 86. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a public employee's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 87. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a member of a board or commission's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.
Section 88. Providing Personnel Board with copy of report of potential violation added.
Sections 89, 92, 93, and 94. Responsibility to issue interpretative opinions transferred to the Personnel Board. Additional persons can request opinions.
Section 90. Option of oral advice transferred to Personnel Board.
Section 95. Receipt, review, and public summary of reports of designated supervisors transferred from the attorney general to the Personnel Board.
Section 96. Authority to initiate a complaint transferred from the attorney general to the Personnel Board.
Section 97. Executive Branch Ethics Act complaints to be filed with the Personnel Board instead of the attorney general.
Section 98. Responsibility to investigate a complaint against the governor, lieutenant governor, or attorney general transferred from independent counsel to the Personnel Board.
Section 99. Responsibility to review Executive Branch Ethics Act complaints for completeness and threshold allegations transferred from the attorney general to the Personnel Board.
Section 100. Option of referring a complaint to a designated supervisor transferred from the attorney general to the Personnel Board.
Section 101. Service of a complaint transferred from the attorney general to the Personnel Board.
Section 102. Responsibility for investigation of a compliant with authority to issue a subpoena transferred from the attorney general to the Personnel Board.
Section 103. Authority to dismiss a compliant for lack of probably cause transferred from the attorney general to the Personnel Board.
Section 104. Authority to direct corrective action without hearing transferred form the attorney general to the Personnel Board.
Section 105. Responsibility for maintaining confidentiality during an investigation transferred from the attorney general to the Personnel Board.
Section : Authority to initiate formal action on a finding of probably cause transferred from the attorney general to the Personnel Board.
Section 107. Authority to review and approve agency policies on conflicts of interest transferred from the attorney general to the Personnel Board.
Section 108. Regulation adoption authority transferred from the attorney general to the Personnel Board. Additional regulation authority added.
Section 109. Definition of "immediate family member" rewritten. The current records of Department of Law lose their precedential value.
Section 110. Definition of "state official" added to include more positions subject to reporting.

We estimate the need for four positions and associated costs for the Personnel Board to carry out these new

requirements. The Personnel Board is authorized to employ staff members by AS 39.25.070(7). One position would be an attorney who would do the legal research and drafting of advice as directed by the Personnel Board. A paralegal position would be responsible for assisting in the legal research and ensuring that all noticing requirements are properly completed. A clerical position would be responsible for the maintenance of the physical files. An investigator will conduct all the investigations, both to determine if a complaint, if true, would constitute a violation and to determine if a violation did indeed occur.

We estimate the need for the Personnel Board to meet on a monthly basis under the changes proposed here. Two of three meetings could probably be conducted by teleconference. A quarterly meeting in person would be required. Estimated public notice expenses and travel expenses are included.

We assume that the effective date will be amended to January 1, 1999 (Section 116 of CSSB 105(FIN)am). Therefore, the FY 99 costs are estimated for one-half year. Costs for FY 00 and beyond are estimated full year costs.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CCSB 105(FIN)am

Revision Date: (Note if correction)
Title: "An Act relating to legislative ethics...."

Sponsor: (S) Rules by Request of Legislative Ethics
Requestor: (H) STA

Department Affected: Administration
BRU: Alaska Public Offices Commission
Component: Alaska Public Offices Commission

COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	43.1	71.6	76.1	76.1	76.1	76.1
TRAVEL	4.2	4.2	2.2	2.2	2.2	2.2
CONTRACTUAL	22.4	7.4	7.4	7.4	7.4	7.4
SUPPLIES	1.6	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	4.6					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	75.9	84.8	87.3	87.3	87.3	87.3
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	75.9	84.8	87.3	87.3	87.3	87.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	75.9	84.8	87.3	87.3	87.3	87.3

Estimate of any current year (FY 98) cost: $ 0.0

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Karen Boorman
Division: Alaska Public Offices Commission

Phone: 274-4176
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 2/3/98

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FISCAL NOTE
STATE OF ALASKA

1998 LEGISLATIVE SESSION BILL NO. CCSB 105(FIN)am

ANALYSIS: (continued)

Partially Exempt and Exem . Executive Branch Employees Range 19 and over must file Conflict of Interest Statements (COI). Legislative Employees Range 19 and over must file Legislative Financial Disclosure Statements (LFD). State Officials must file disclosures of close economic association.

There are several parts of this bill which would impact the Alaska Public Offices Commission. Section 55, amending AS 24.60.990(a), and Section 63, amending AS 39.50.200(a), require that legislative employees and state employees compensated at Range 19 and above or at more than $4200 a month file personal financial disclosure statements. Section 72, adding AS 39.52.155 requires that all state employees who file personal financial disclosure statements also file disclosures of close economic association with the APOC.

Currently, the Commission receives about 800 personal financial disclosure statements from all state filers including 65 from legislators and legislative directors. Approximately 1200 municipal officials file municipal financial disclosure statements. Under the proposed changes to AS 24.60 an additional 192 legislative employees, Range 19 and above, plus 10% turnover per year and an estimated 50% turnover every two years would be required to file annual Legislative Financial Disclosure (LFD) Reports. An additional 658 state employees plus 10% annual turnover would be required to file annual Conflict of Interest (COI) Statements under AS 39.50. In addition, under AS 39.52, up to 1488 state employees would be required to file annual disclosures of close economic association and update them within sixty days of forming new close economic associations.

Current staffing to advise and train filers, provide manuals and forms, review completed statements, assess penalties and report to the Commission is provided by one Paralegal Assistant. At current staffing levels, review of many municipal filings is not possible and review of state filings is delayed. The addition of these new legislative employee and state employee filers more than doubles the number of individuals filing personal financial disclosure statements.

These provisions will take effect midway through FY 99, on January 1, 1999. The first major filing deadlines for filers under the new requirements would be 30 days after appointment or notification for state employees and 60 days after appointment for legislative employees. Over the following six months, approximately 725 new COI Interest Statements and 212 new LFD Reports would be due. This would require extensive education of all new filers. Additional manuals and forms would be necessary to provide immediate help. To provide long term guidance and enforcement, the Commission would engage in civil penalty assessments, advisory opinions and adjudication of complaints. Up to 1488 state official filers would have to file "disclosures of close economic association" with APOC and their designated ethics supervisor. APOC would make these available to the public.

Additional staff is needed to support these changes. An Administrative Clerk III Range 10 would be responsible for processing filed statements as well as accurate and prompt input of data. This person would assist in evaluating Conflict of Interest and Legislative Financial Disclosure Statements to determine their accuracy, obtain more information from filers whose statements are inaccurate, and provide information to the public about filers' Statements. This would be a seven-month position the first year, twelve months thereafter.

A nine-month full time seasonal Paralegal Assistant, Range 13/16, is needed to deal with the increase in Conflict of Interest and Legislative Financial Disclosure filers. This seasonal position would be active from December to August when filing demands are the greatest. This seasonal paralegal would compare and examine reports, interpret statutes and regulations, draft informal advice and proposed advisory opinions, and prepare civil penalty recommendations and orders for approval by the Commission. This would be a six-month position the first year.

Additional funds are requested for travel and training of new legislative filers and new state employee filers around the State through seminars, video conferencing and video training materials with emphasis on new filers in the first two years (FY99 & FY00) of implementation. Equipment costs in FY99 cover two filing cabinets, two telephones and installation of lines, a computer and its installation. Contractual and supply costs cover printing and mailing of new manuals, forms and other necessary correspondence for FY99 and subsequent years. FY99 contractual costs also include upgrading and reprogramming the financial disclosure database, streamlining filing procedures and the development of video training materials.

Gifts reported only to Ethics. Contrib. " " " APOC.

0-LS0074\K.a

TITLE 15 = Campaign finance
TITLE 24 = Legis Ethics
TITLE 39 = EXEC Branch, State Personnel, Ethics

CS FOR SENATE BILL NO. 105(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/18/97
Offered: 4/16/97

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE SELECT COMMITTEE ON LEGISLATIVE ETHICS

A BILL

FOR AN ACT ENTITLED

"An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state office; relating to the conduct and regulation of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

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

*** Section 1.** AS 15.13.072(d) is amended to read:

(d) A candidate or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 **for election or reelection to state office** may not solicit or accept a contribution if the legislature is convened in a regular or special legislative session [, AND THE CANDIDATE OR INDIVIDUAL IS A MEMBER OF THE

Prohibits acceptng contrib

LEGISLATURE, OR EMPLOYED AS A MEMBER OF THE LEGISLATOR'S STAFF OR AS A MEMBER OF THE STAFF OF A LEGISLATIVE COMMITTEE].

* **Sec. 2.** AS 15.13.074(c) is amended to read:

(c) A person or group may not make a contribution

(1) to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, when the office is to be filled at a general election, before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the general election;

(2) to a candidate for <u>state office</u> [THE STATE LEGISLATURE] or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for <u>state office</u> [THE STATE LEGISLATURE], when the office is to be filled at a general election, while the legislature is convened in its regular legislative session and before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the general election;

(3) to a candidate or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for an office that is to be filled at a special election or municipal election before the later of the following dates:

OCT-15-97 WED 08:48 AM FAIRBANKS LIO FAX NO. 907 456 3346 P. 12/21

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100;

(B) is nine months before the date of the general or regular municipal election or that is before the date of the proclamation of the special election at which the candidate or individual seeks election to public office; or

(4) to any candidate later than the 45th day

(A) after the date of a primary election if the candidate

(i) has been nominated at the primary election or is running as a write-in candidate; and

(ii) is not opposed at the general election;

(B) after the date of the primary election if the candidate was not nominated at the primary election; or

(C) after the date of the general election, or after the date of a municipal or municipal runoff election, if the candidate was opposed at the general, municipal, or municipal runoff election.

*** Sec. 3.** AS 15.13.116(a) is amended to read:

(a) A candidate who, after the date of the general, special, municipal, or municipal runoff election or after the date the candidate withdraws as a candidate, whichever comes first, holds unused campaign contributions shall distribute the amount held within 90 days. The distribution may only be made to

(1) pay bills incurred for expenditures reasonably related to the campaign and the winding up of the affairs of the campaign, and to pay expenditures associated with post-election fund raising that may be needed to raise funds to pay off campaign debts;

(2) pay for a victory or a thank you party costing less than $500, or to give a thank you gift of a value of less than $50 to a campaign employee or volunteer;

(3) make donations, without condition, to

(A) a political party;

(B) the state's general fund;

(C) a municipality of the state; or

(D) the federal government;

(4) make donations, without condition, to organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not controlled by the candidate or a member of the candidate's immediate family;

(5) repay loans from the candidate to the candidate's own campaign under AS 15.13.078(b);

(6) repay contributions to contributors, but only if repayment of the contribution is made pro rata in approximate proportion to the contributions made using one of the following, as the candidate determines:

(A) to all contributors;

(B) to contributors who have contributed most recently; or

(C) to contributors who have made larger contributions;

(7) establish a fund for, and from that fund to pay, attorney fees or costs incurred in the prosecution or defense of an administrative or civil judicial action that directly concerns a challenge to the victory or defeat of the candidate in the election;

(8) transfer all or a portion of the unused campaign contributions to an account for a future election campaign; a transfer under this paragraph is limited to

(A) $50,000, if the transfer is made by a candidate for governor or lieutenant governor;

(B) $10,000, if the transfer is made by a candidate for the state senate;

(C) $5,000, if the transfer is made by a candidate for the state house of representatives; and

(D) $5,000, if the transfer is made by a candidate for an office not described in (A) - (C) of this paragraph;

(9) transfer all or a portion of the unused campaign contributions to a legislative office account **or to an office account reserve in accordance with (d) of this section**; a transfer under this paragraph is subject to the following:

Am Radio

changes to "Public Office Acc't."

OCT-15-97 WED 08:49 AM FAIRBANKS LIO FAX NO. 907 456 3346 P. 13/21

(A) the authority to transfer is limited to candidates who are elected to the state legislature;

(B) the legislative office account established under this paragraph may be used only for expenses associated with the candidate's serving as a member of the legislature;

(C) all amounts expended from the legislative office account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000 multiplied by the number of years in the term to which the candidate is elected; and

(10) transfer all or a portion of the unused campaign contributions to a municipal office account; a transfer under this paragraph is subject to the following:

(A) the authority to transfer is limited to candidates who are elected to municipal office, including a municipal school board;

(B) the municipal office account established under this paragraph may be used only for expenses associated with the candidate's serving as mayor or as a member of the assembly, city council, or school board;

(C) all amounts expended from the municipal office account shall be annually accounted for under AS 15.13.110(a)(4); and

(D) a transfer under this paragraph is limited to $5,000.

* Sec. 4. AS 15.13.116 is amended by adding a new subsection to read:

(d) After a general or special election, a candidate for the state legislature who has been elected to the state legislature in that election may, from the amount retained in the office account reserve under this subsection, transfer to a legislative office account not more than $5,000 each calendar year for use only for expenses associated with the candidate's serving as a member of the legislature. A candidate for the senate may transfer up to $20,000 from unused campaign contributions to a legislative office account reserve. A candidate for the house of representatives may transfer up to $10,000 from unused campaign contributions to a legislative office account reserve. The office account reserve may only be used to make transfers to the legislative office

account. At the end of the candidate's term of office, a balance in the office account reserve must be disposed of as provided in (a)(1) - (8) of this section. All amounts expended under this subsection shall be annually accounted for under AS 15.13.110(a)(4).

* Sec. 5. AS 15.13.400 is amended by adding a new paragraph to read:

(12) "state office" includes the office of governor, lieutenant governor, member of the legislature, or similar state office.

* Sec. 6. AS 23.20.526(d) is amended to read:

(d) For the purposes of AS 23.20.525(a)(4) - (6) and (14), the term "employment" does not apply to service performed

(1) by a duly ordained, commissioned, or licensed minister of a church in the exercise of the person's ministry or by a member of a religious order in the exercise of duties required by the order;

(2) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market by an individual receiving the rehabilitation or remunerative work;

(3) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or any agency of a state or political subdivision of the state, by an individual receiving work relief or work training;

(4) for a state hospital by an inmate of a prison or correctional institution;

(5) in the employ of a school, college, or university [,] if the service is performed by a student who is enrolled and is regularly attending classes at the school, college, or university;

(6) by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution that [WHICH] normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance

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at the place where its educational activities are carried on as a student in a full-time program, taken for credit at the institution, **that** [WHICH] combines academic instruction with work experience, if the service is an integral part of the program, and the institution has so certified to the employer, except that this paragraph does not apply to service performed in a program established for or on behalf of an employer or group of employers;

(7) in the employ of a hospital, if the service is performed by a patient of the hospital, as defined in AS 23.20.520;

(8) in the employ of the state or a political subdivision of the state if the service is performed by an individual in the exercise of duties

(A) as a **judici... officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch, a person hired or appointed as the director of a division of a department in the executive branch, an assistant to the governor, a chair or member of a state commission or board, state investment officers and the state comptroller in the Department of Revenue, the executive director of the Alaska Tourism Marketing Council, an appointed or elected municipal officer** ["PUBLIC OFFICIAL" AS DEFINED IN AS 39.50.200(a)], any other elected official, the fiscal analyst of the legislative finance division, the legislative auditor of the legislative audit division, the executive director of the Legislative Affairs Agency, and the directors of the divisions within the Legislative Affairs Agency;

(B) as a member of the Alaska Army National Guard or Alaska Air National Guard or Alaska Naval Militia; or

(C) as an employee serving on only a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency;

(9) in the employ of

(A) a church or a convention or association of churches; or

(B) an organization **that** [WHICH] is operated primarily for religious purposes and **that** [WHICH] is operated, supervised, controlled, or principally supported by a church or a convention or association of churches.

*** Sec. 7.** AS 24.25.010(e) is amended to read:

(e) This section does not apply to the legislative council, **the Select Committee on Legislative Ethics, or** [NOR TO] the Legislative Budget and Audit Committee.

*** Sec. 8.** AS 24.45 is amended by adding a new section to read:

Sec. 24.45.165. Spouses and cohabitants of legislators. (a) A spouse of or a person cohabiting with a legislator may not engage in lobbying the executive branch of state government or the legislature during the legislator's term of office.

(b) In this section,

(1) "engage in lobbying" means to act as a lobbyist;

(2) "person cohabiting with" means a person who is cohabiting with another person in a conjugal relationship that is not a legal marriage.

*** Sec. 9.** AS 24.45.171(12) is amended to read:

(12) "public official" or "public officer" means a

(A) public official as defined in AS 39.50.200(a) **but does not include a judicial officer or an elected or appointed municipal officer;**

(B) [,] a member of the legislature; [,] or

(C) a legislative director **or another legislative employee who is subject to disclosure** as defined in AS 24.60.990(a) [; HOWEVER, IT DOES NOT INCLUDE A JUDICIAL OFFICER OR AN ELECTED OR APPOINTED MUNICIPAL OFFICER].

*** Sec. 10.** AS 24.60.030(a) is amended to read:

(a) A legislator or legislative employee may not

(1) solicit, agree to accept, or accept a benefit other than official compensation for the performance of public duties; this paragraph may not be construed to prohibit lawful solicitation for and acceptance of campaign contributions or the acceptance of a lawful gratuity under AS 24.60.080;

(2) use public funds, facilities, equipment, services, or another government asset or resource for a nongovernmental purpose or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit

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(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and **either** the cost or value related to the use is nominal **or the legislator or legislative employee reimburses the state for the cost of the use**;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nongovernmental purposes; or

(C) telephone **or facsimile** use that does not carry a special charge;

(3) knowingly seek, accept, use, allocate, grant, or award public funds for a purpose other than that approved by law, or make a false statement in connection with a claim, request, or application for compensation, reimbursement, or travel allowances from public funds;

(4) require a legislative employee to perform services for the private benefit of the legislator or employee at any time, or allow a legislative employee to perform services for the private benefit of a legislator or employee on government time; it is not a violation of this paragraph if the services were performed in an unusual or infrequent situation and the person's services were reasonably necessary to permit the legislator or legislative employee to perform official duties;

(5) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for the purpose of political fund raising or campaigning; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and **either** the cost or value related to the use is nominal **or the legislator or legislative employee reimburses the state for the cost of the use**;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nongovernmental purposes; [OR]

(C) telephone **or facsimile** use that does not carry a special charge**; or**

(D) storing or maintaining, consistent with (b) of this section, election campaign records in a legislator's office.

* **Sec. 11.** AS 24.60.030(c) is repealed and reenacted to read:

(c) Unless approved by the committee, during a campaign period for an election in which the legislator or legislative employee is a candidate, a legislator or legislative employee may not use or permit another to use state funds, other than funds to which the legislator is entitled as an office allowance, to print or distribute a political mass mailing to individuals eligible to vote for the candidate. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before the date of an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election, or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or general or special election;

(2) a mass mailing is considered to be political if it is from or about a legislator, legislative employee, or another person who is a candidate for election or reelection to the legislature or another federal, state, or municipal office or to the board of an electric or telephone cooperative.

* **Sec. 12.** AS 24.60.030(d) is amended to read:

(d) A legislator, **legislative employee,** or another person on behalf of the legislator **or legislative employee**, or a campaign committee of the legislator **or legislative employee**, may not distribute or post campa n literature, placards, posters, **fund-raising notices,** or other communications intended to influence the election of a candidate in an election in public areas in a facility ordinarily used to conduct state government business. **This prohibition applies whether or not the election has been concluded. However, a legislator may post, in the legislator's private office, communications related to an election that has been concluded.**

* **Sec. 13.** AS 24.60.030(f) is amended to read:

(f) A legislative employee may not serve in a position that requires

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confirmation by the legislature. A legislator or legislative employee may serve on a board of an organization, including a governmental entity, that regularly has a substantial interest in the legislative activities of the legislator or employee [,] if the legislator or employee discloses the board membership to the committee. **A legislator or legislative employee who is required to make a disclosure under this subsection shall file the disclosure with the committee by the deadlines set out in AS 24.60.105 stating the name of each organization on whose board the person serves. The committee shall maintain a public record of the disclosure and forward the disclosure to the appropriate house for inclusion in the journal. This subsection does not require a legislator or legislative employee who is appointed to a board by the presiding officer to make a disclosure of the appointment to the committee if the appointment has been published in the appropriate legislative journal during the calendar year.**

*** Sec. 14.** AS 24.60.030(g) is repealed and reenacted to read:

(g) A legislator or legislative employee who has a substantial financial interest that may be affected by official action may not take official action on the matter unless the financial interest has been disclosed as required by this subsection. In the case of a matter that is before a legislative committee or a house of the legislature, the legislator or legislative employee shall orally disclose the financial interest to the legislative committee or to the legislative house, as appropriate. The disclosure must be reported in the journal or in the committee minutes, as appropriate. In the case of a matter that is not before a legislative committee or a house of the legislature, the legislator or legislative employee shall disclose the financial interest to the ethics committee in writing, to be received by the committee within seven days after the legislator or legislative employee takes the action. This written disclosure is a public document. The committee shall promptly forward the disclosure to the clerk of the house or the senate secretary for publication in the journal. A disclosure under this subsection, whether written or oral, must include the nature of the financial interest and a short description of how the action taken affects the interest. In this subsection,

(1) "financial interest" includes

(A) an equity or ownership interest in a business, investment,

real property, lease, or other enterprise if the effect of the action on that interest is greater than the effect on a substantial class of persons to which the legislator or legislative employee belongs as a member of a profession, occupation, industry, or region;

(B) an interest based on employment of the legislator or legislative employee or the spouse, spousal equivalent, or dependent child of the legislator or legislative employee;

(C) an interest based on a contract, including a personal services contract, in which the legislator or legislative employee or the spouse, spousal equivalent, or dependent child of the legislator or legislative employee is entitled to receive a benefit from a business or other entity;

(D) an interest created by membership on the board of directors of a corporation regardless of whether the effect of the action on that interest is greater than the effect on a substantial class of persons to which the legislator or legislative employee belongs as a member of a profession, occupation, industry, or region;

(2) "official action" includes legislative, administrative, and political action.

* **Sec. 15.** AS 24.60.030 is amended by adding a new subsection to read:

(h) In this section, when determining whether an employee is considered to be performing a task on government time, the committee shall consider the employee's work schedule as set by the employee's immediate supervisor. An employee who engages in political campaign activities other than incidental campaign activities as described in this subsection during the employee's work day shall take leave for the period of campaigning. Political campaign activities while on government time are permissible if the activities are part of the normal legislative duties of the employee, including answering telephone calls and handling incoming correspondence.

* **Sec. 16.** AS 24.60.031(a) is amended to read:

(a) A legislator or legislative employee may not

(1) **on a day when either house of** [WHILE] the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to

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make a contribution for a **campaign for state office** [STATE LEGISLATIVE CAMPAIGN];

(2) accept money from an event held **on a day when either house of the legislature is in regular or special** [DURING A LEGISLATIVE] session if a substantial purpose of the event is [EITHER] to raise money on behalf of the member or legislative employee for [CAMPAIGN PURPOSES OR TO RAISE MONEY FOR] state **office** [LEGISLATIVE] political purposes; or

(3) expend money in a **campaign for state office** [STATE LEGISLATIVE CAMPAIGN] that was raised by or on behalf of a legislator **on a day when either house of the legislature was in** [DURING] a legislative session under **a declaration of candidacy or** a general letter of intent to become a candidate for public office.

*** Sec. 17.** AS 24.60.039 is amended by adding a new subsection to read:

(b) If a person files a complaint with the committee under AS 24.60.170 alleging a violation of this section, the committee may refer the complainant to the State Commission for Human Rights and may defer its consideration of the complaint until after the complainant establishes to the satisfaction of the committee that the commission has completed its proceedings in the matter.

*** Sec. 18.** AS 24.60.040(a) is amended to read:

(a) A legislator or legislative employee, or a member of the immediate family of a legislator or legislative employee, may not be a party to or have an interest in a state contract or lease unless the contract or lease is let [THROUGH COMPETITIVE SEALED BIDDING] under AS 36.30 (State Procurement Code) **or, for agencies that are not subject to AS 36.30, under similar procedures,** or the total annual amount of the state contract or lease is **$5,000** [$1,000] or less, or is a standardized contract or lease that was developed under publicly established guidelines and is generally available to the public at large, members of a profession, occupation, or group. A person has an interest in a state contract or lease under this section if the person receives direct or indirect financial benefits. **A legislator or legislative employee who participates in, or who knows or reasonably should know that a family member is participating in, a state contract or lease that has an annual value of $5,000 or**

Good! Relies on disclosure not prohibition.

Good!

more shall disclose the participation to the committee by the date required under AS 24.60.105. The legislator or legislative employee shall also disclose the renegotiation of a state contract or lease if the original had to be disclosed under this section or if, as a result of renegotiation, disclosure is required under this section. The disclosure must state the amount of the contract or lease and the name of the state agency issuing the contract or lease and must identify the procedures under which the contract or lease was issued. If the disclosure concerns a contract or lease in which a family member of the discloser is participating, the disclosure must identify the relationship between the participant and the discloser.

* Sec. 19. AS 24.60.040 is amended by adding a new subsection to read:

(c) This section does not apply to a contract or lease issued under a state program or loan that is subject to AS 24.60.050. A grant that results in a contract but that is not subject to AS 24.60.050 is subject to this section.

* Sec. 20. AS 24.60.050(c) is amended to read:

(c) A legislator or legislative employee who participates in a program or receives a loan that is not exempt from disclosure under (a) of this section shall file a written report with the committee by the date required under AS 24.60.105 [FEBRUARY 15 OF EACH YEAR] stating the amounts of the loans outstanding or benefits received during the preceding calendar year from nonqualifying programs. If the committee requests additional information necessary to determine the propriety of participating in the program or receiving the loan, it shall be promptly provided. The committee shall promptly compile a list of the statements indicating the loans and programs and amounts and send it to the presiding officer of each house who shall have it published in the supplemental journals within three weeks after [OF] the filing date. A legislator or legislative employee who believes that disclosure of participation in a program would be an invasion of the participant's right to privacy under the state constitution may request the committee to keep the disclosure confidential. If the committee finds that publication would constitute an invasion of privacy, the committee shall publish only the fact that a person has participated in the program and the amount of benefit that the unnamed person

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received. The committee shall maintain the disclosure of the name of the person as confidential and may only use the disclosure in a proceeding under AS 24.60.170. If the disclosure becomes part of the record of a proceeding under AS 24.60.170, the disclosure may be made public as provided in that section.

*** Sec. 21.** AS 24.60.060 is amended by adding a new subsection to read:

(b) A legislator or legislative employee who is the subject of a complaint under AS 24.60.170 violates this section if the legislator or legislative employee violates a protective order issued under AS 24.60.170(i).

*** Sec. 22.** AS 24.60.070(b) is amended to read:

(b) **A legislator or legislative employee required to make a disclosure under this section shall make a disclosure by the date set under AS 24.60.105 of the legislator's or legislative employee's close economic associations then in existence.** A disclosure under this section must be sufficiently detailed that a reader of the disclosure can ascertain the nature of the association.

*** Sec. 23.** AS 24.60.070 is amended by adding a new subsection to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the legislative employee is married or who is the legislative employee's spousal equivalent, the legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person.

*** Sec. 24.** AS 24.60.080(a) is amended to read:

(a) **Except as otherwise provided in this section, a** [A] legislator or legislative employee may not solicit, accept, or receive, directly or indirectly, a gift worth **$250** [$100] or more, whether in the form of money, services, a loan, travel, entertainment, hospitality, promise, or other form, or gifts from the same person worth less than **$250** [$100] that in a calendar year aggregate to **$250** [$100] or more in value. **Except for food or beverage for immediate consumption, a legislator or**

legislative employee [, AND] may not solicit, accept, or receive during a legislative session a gift with any monetary value from a lobbyist or a person acting on behalf of a lobbyist.

*** Sec. 25.** AS 24.60.080(c) is amended to read:

(c) Notwithstanding (a) of this section, it is not a violation of this section for a legislator or legislative employee to accept

(1) hospitality, other than hospitality described in (4) of this subsection,

(A) with incidental transportation at the residence of a person; **however, a vacation home located outside the state is not considered a residence for the purposes of this subparagraph;** or

(B) at a social event or meal;

(2) discounts that are available

(A) generally to the public or to a large class of persons to which the person belongs; **or**

(B) when on official state business, but only if receipt of the discount benefits the state;

(3) food or foodstuffs indigenous to the state that are shared generally as a cultural or social norm;

(4) travel and hospitality primarily for the purpose of obtaining information on matters of legislative concern;

(5) gifts from the immediate family of the person; [OR]

(6) gifts that are not connected with the recipient's legislative status; **or**

(7) a discount for all or part of a legislative session, including time immediately preceding or following the session, or other gift to welcome a legislator or legislative employee who is employed on the personal staff of a legislator or by a standing or special committee to the capital city or in recognition of the beginning of a legislative session if the gift or discount is available generally to all legislators and the personal staff of legislators and staff of standing and special committees; this paragraph does not apply to legislative employees who are employed by the Legislative Affairs Agency, the office of the

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chief clerk, the office of the senate secretary, the legislative budget and audit committee, or the office of the ombudsman.

*** Sec. 26.** AS 24.60.080(d) is amended to read:

(d) A legislator or legislative employee who accepts a gift under (c)(4) [OR (6)] of this section shall disclose the gift if it has a value of **$250** [$100] or more**; the** [. THE] disclosure must include the name and occupation of the person making the gift, [AND] the approximate value of the gift**, and** [. A GIFT UNDER (c)(4) OF THIS SECTION REQUIRED TO BE DISCLOSED UNDER THIS SUBSECTION] shall be disclosed **to the committee** within 30 days **after** [OF] the receipt of the gift**. Except as provided in (i) of this section, a gift** [TO THE COMMITTEE. GIFTS] under (c)(6) of this section **that has a value of $250 or more** shall be disclosed to the committee annually on or before **February 15** [APRIL 15] of the following calendar year**; the** [AND THE] disclosure needs to include **only a description of the gift and the identity of the donor** [THE VALUE ONLY IF THE VALUE OF THE GIFT EXCEEDS $250]. The committee shall maintain a public record of the disclosure it receives relating to gifts under (c)(4) of this section and shall forward the disclosure to the appropriate house for inclusion in the journal. Disclosures relating to gifts under (c)(6) of this section shall be maintained, but are confidential and may only be used by the committee and its employees and contractors in the investigation of a possible violation of this section or in a proceeding under AS 24.60.170. If the disclosures become part of the record of a proceeding under AS 24.60.170, the confidentiality provisions of that section apply to the disclosures. **The committee shall forward to the Alaska Public Offices Commission copies of the disclosures concerning gifts under (c)(4) of this section that it receives from legislative employees who are required to file financial disclosure statements under AS 24.60.200 and from legislators.**

*** Sec. 27.** AS 24.60.080(e) is amended to read:

(e) A political contribution [THAT IS REPORTED UNDER AS 15.13.040] is not a gift under this section **if it is reported under AS 15.13.040 or is exempt from the reporting requirement under AS 15.13.040(g)**.

*** Sec. 28.** AS 24.60.080(f) is amended to read:

(f) Notwithstanding (a) of this section, a legislator or legislative employee may accept a gift of property worth **$250** [$100] or more, other than money, from a foreign government or from **the government of the United States or another state or from** an official of a foreign government **or of the government of the United States or another state** if the person accepts the gift on behalf of the legislature. The person shall, within 60 days **after** [OF] receiving the gift, deliver the gift to the legislative council, which shall determine the appropriate disposition of the gift.

*** Sec. 29.** AS 24.60.080(g) is amended to read:

(g) In this section, "immediate family" **or "family member" means**

(1) the spouse of the person;

(2) the person's spousal equivalent;

(3) a child, including a stepchild and an adoptive child, of the person or of the person's spouse or the person's spousal equivalent;

(4) a parent, sibling, grandparent, aunt, or uncle of the person; and

(5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse or the person's spousal equivalent [HAS THE MEANING GIVEN IN AS 24.60.990(a)(5) AND INCLUDES THE GRANDPARENTS, AUNTS, AND UNCLES OF A PERSON, AND ALSO INCLUDES A PERSON DESCRIBED IN THIS SUBSECTION OR AS 24.60.990(a)(5) WHO IS RELATED TO THE PERSON BY MARRIAGE].

*** Sec. 30.** AS 24.60.080 is amended by adding new subsections to read:

(h) Notwithstanding (a) of this section, a legislator or legislative employee may solicit, accept, or receive a gift on behalf of a recognized, nonpolitical charitable organization in accordance with guidelines adopted by the committee.

(i) A legislator or legislative employee who receives an inheritance worth $250 or more from a person other than a family member shall disclose the fact of the receipt of an inheritance and the identity of the decedent to the committee by the deadline set out in AS 24.60.105. The committee shall maintain a public record of the disclosure. This subsection does not require disclosure of the value of the inheritance.

(j) A legislator, a legislative committee other than the Select Committee on Legislative Ethics, or a legislative agency may accept (1) a gift of volunteer services

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for legislative purposes so long as the person making the gift of services is not receiving compensation from another source for the services or (2) a gift of the services of a trainee who is participating in an educational program approved by the committee if the services are used for legislative purposes. The committee shall approve training under a program of the University of Alaska and training under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act). A legislative volunteer or educational trainee shall be considered to be a legislative employee for purposes of compliance with AS 24.60.030 - 24.60.039, 24.60.060, 24.60.080, 24.60.085, 24.60.158 - 24.60.170, 24.60.176, and 24.60.178. If a person believes that a legislative volunteer or educational trainee has violated the provisions of one of those sections, the person may file a complaint under AS 24.60.170. The provisions of AS 24.60.170 apply to the proceeding. This subsection does not permit a legislator or legislative employee to accept a gift of services for nonlegislative purposes.

(k) A legislator or legislative employee who knows or reasonably should know that a family member has received a gift because of the family member's connection with the legislator or legislative employee shall report the receipt of the gift by the family member to the committee if the gift would have to be reported under this section if it had been received by the legislator or legislative employee or if receipt of the gift by a legislator or legislative employee would be prohibited under this section.

(l) In this section, the value of a gift shall be determined by the fair market value of the gift to the extent that the fair market value can be determined.

* **Sec. 31.** AS 24.60.085(a) is amended to read:

(a) A legislator or legislative employee may not

(1) seek or accept compensation for personal services that **is significantly greater than the value of** [INVOLVES PAYMENTS THAT ARE NOT COMMENSURATE WITH] the services rendered taking into account the higher rates generally charged by specialists in a profession; or

(2) accept a payment of anything of value, except for actual and necessarily incurred travel expenses, for an appearance or speech by the legislator or legislative employee; this paragraph does not apply to the salary paid to a legislator or legislative employee for making an appearance or speech as part of the legislator's

or legislative employee's normal course of employment.

* **Sec. 32.** AS 24.60.100 is amended to read:

Sec. 24.60.100. Representation. A legislator or legislative employee who represents another person for compensation before an agency, board, or commission of the state shall disclose the name of the person represented, the subject matter of the representation, and the body before which the representation is to take place to the committee. **The disclosure shall be made by the deadlines set out in AS 24.60.105.** The committee shall maintain a public record of **a** [THE] disclosure **under this section** and forward the disclosure to the respective house for inclusion in the journal. A legislator or legislative employee may not represent another person for compensation before an agency, committee, or other entity of the legislative branch.

* **Sec. 33.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.105. Deadlines for filing disclosures. (a) When a legislator or legislative employee is required to file a disclosure under this chapter and a date by which the disclosure must be filed is not otherwise set by statute, the deadlines set out in this section shall apply. For disclosure of a matter or an interest that began or was acquired during the interim between regular legislative sessions, whether or not the regular session is extended or there is a special session, or during the last 30 days of a regular session, the legislator or legislative employee shall disclose the matter by February 15. For disclosure of a matter or an interest that began or was acquired during a regular legislative session, but not during the last 30 days of the regular session, the disclosure must be made within 30 days after the commencement of the interest or representation.

(b) Disclosures under the following statutes are subject to the deadlines set out in this section:

(1) service on the board of an organization as set out in AS 24.60.030(f);

(2) an interest in a state contract or lease under AS 24.60.040 and the renegotiation of the terms of a state contract or lease that materially affect the obligations of either party;

(3) participation in a state program or receipt of a state loan under

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AS 24.60.050 and the renegotiation of the terms of the program or loan if the renegotiation materially affects the obligations of either party;

(4) formation or maintenance of a close economic association under AS 24.60.070;

(5) receipt of an inheritance under AS 24.60.080(i);

(6) representation of a client under AS 24.60.100.

*** Sec. 34.** AS 24.60.130(f) is amended to read:

(f) The committee may contract for professional services and may employ staff as it considers necessary. A committee employee, including a person who provides personal services under a contract with the committee, may not be a legislater, an elected or appointed official of a state or local governmental entity, an officer of a political party, a candidate for public office, or a registered lobbyist. The legislative council shall provide office space, equipment, and additional staff support for the committee. The committee shall submit a budget for each fiscal year to the finance committees of the legislature and shall annually submit an estimated budget to the governor for information purposes in preparation of the state operating budget. **Public members of the committee serve without compensation for their services, but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.**

*** Sec. 35.** AS 24.60.130(h) is amended to read:

(h) A member is disqualified from participating as a member in any proceeding before the committee involving a complaint against the member **or an employee whose work is supervised by the member** or an advisory opinion requested by the member. If **a regular legislative member of the committee is disqualified under this subsection from participating in a proceeding involving a complaint, an alternate shall be appointed under (o) of this section** [THE LEGISLATURE IS IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED UNDER THIS SUBSECTION, THE PRESIDING OFFICER OF THAT MEMBER'S HOUSE SHALL, WITH THE CONCURRENCE BY ROLL CALL VOTE OF TWO-THIRDS OF THE FULL MEMBERSHIP OF THAT HOUSE, APPOINT ANOTHER MEMBER FROM THAT HOUSE TO ACT AS A MEMBER

OF THE COMMITTEE IN THE PROCEEDING. IF THE LEGISLATURE IS NOT IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED, THE PRESIDING OFFICER OF THE HOUSE OF WHICH THE DISQUALIFIED LEGISLATOR IS A MEMBER SHALL APPOINT ANOTHER MEMBER FROM THAT HOUSE, WITH A RECORDED CONCURRENCE OF A MAJORITY VOTE OF THE SUBCOMMITTEE OF THAT HOUSE, TO ACT AS A MEMBER OF THE COMMITTEE IN THE PROCEEDING].

* **Sec. 36.** AS 24.60.130 is amended by adding a new subsection to read:

(o) When appointing members of the legislature to serve on the committee, the speaker of the house or the president of the senate, as appropriate, shall appoint an alternate member for each regular member. An alternate must have the same qualifications as the regular member for whom the alternate stands as alternate and is subject to confirmation as required for the regular member. If a regular legislative member of the committee or a subcommittee is disqualified under (h) of this section from serving on the committee or the subcommittee concerning a proceeding under AS 24.60.170, the chair of the committee or a subcommittee shall designate the regular member's alternate to serve in place of the regular member in the proceeding unless the alternate is also disqualified from serving. The designation shall be treated as confidential to the same extent that the identity of the subject of a complaint is required to be kept confidential.

* **Sec. 37.** AS 24.60.134(a) is amended to read:

(a) **Except as provided in (c) of this section, in** [IN] addition to **complying with** the requirements of this chapter, a public member of the committee, an employee of the committee, or a person under contract to provide personal services to the committee may not, **during the person's term of office or employment or during the life of the contract, participate in**

(1) [PARTICIPATE IN] political management or in a political campaign **for a candidate for election to federal, state, or local office, regardless of whether the campaign is partisan or nonpartisan, or for passage or defeat of a ballot measure of any type** [DURING THE PERSON'S TERM OF OFFICE, EMPLOYMENT, OR CONTRACT];

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(2) [PARTICIPATE IN] the campaign of, attend campaign fund-raising events for, or make a financial contribution to

(A) a candidate for the legislature;

(B) an incumbent legislator or legislative employee who is a candidate for another public office; or

(C) a person running for another office against an incumbent legislator or legislative employee; [OR]

(3) a fund-raising event held on behalf of a political party or attend a political party fund-raising event; or

(4) [PARTICIPATE IN] lobbying activities that would require the person to register as a lobbyist except as required to inform the legislature concerning legislation requested by the committee or other matters related to the committee.

*** Sec. 38.** AS 24.60.134 is amended by adding a new subsection to read:

(c) A person under contract to provide personal services to the committee who is part of a corporation or partnership that includes individuals who will not be participating directly in the work performed by the entity for the committee may request the committee to exclude members of the entity from some or all of the provisions of this section. The committee may grant the request if it finds that doing so will not lead to the appearance that the committee is subject to undue political influence and if there is no appearance of impropriety.

*** Sec. 39.** AS 24.60.150(b) is amended to read:

(b) The committee may

(1) recommend [LEGISLATION] to the legislature **legislation that** the committee considers desirable or necessary to promote and maintain high standards of ethical conduct in government;

(2) subpoena witnesses, administer oaths, and take testimony relating to matters before the committee, and may require the production for examination of any books or papers relating to any matter under investigation before the committee;

(3) adopt guidelines to implement this chapter; in adopting guidelines, the committee shall provide notice of its intended action and an opportunity for public comment; the committee may not penalize a person who

reasonably relies on a guideline adopted by the committee for having violated a conflicting provision of this chapter.

* **Sec. 40.** AS 24.60.160 is amended to read:

Sec. 24.60.160. Advisory opinions. **(a) On the request of a person to whom this chapter applies or who has been newly elected to the legislature, the** [THE] committee shall issue an advisory opinion within **60** [30] days [ON THE REQUEST OF A PERSON TO WHOM THE CHAPTER APPLIES OR A PERSON ELECTED TO THE LEGISLATURE WHO AT THE TIME OF ELECTION IS NOT A MEMBER OF THE LEGISLATURE] as to whether the facts and circumstances of a particular case constitute a violation of ethical standards. **If it finds that it is advisable to do so, the committee may issue an opinion under this section on the request of a person who reasonably expects to become subject to this chapter within the next 45 days.** The **60-day** [30-DAY] period for issuing an opinion may be extended by the committee if the person requesting the opinion consents.

(b) An [THE] opinion issued **under this section** is binding on the committee in any subsequent proceedings concerning the facts and circumstances of the particular case unless material facts were omitted or misstated in the request for the advisory opinion. Except as provided in this chapter, an advisory opinion is confidential but shall be made public if a written request by the person who requested the opinion is filed with the committ **A person who requested an opinion, including a legislator, may not r e admittance to an executive session of the committee when it is deliberating concerning the advisory opinion.**

* **Sec. 41.** AS 24.60.170(a) is amended to read:

(a) The committee shall consider a complaint alleging a violation of this chapter if the alleged violation occurred within five years **before** [OF] the date that the complaint is filed with the committee and, when the subject of the complaint is a former member of the legislature, the complaint is filed within one year **after** [OF] the subject's departure from the legislature. The committee may not consider a complaint filed against **all members of the legislature, against all members of one house of the legislature, or against** a person employed by the legislative branch of government after the person has terminated legislative service. **However, the committee may**

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reinstitute proceedings concerning a complaint that was closed because a former employee terminated legislative service or because a legislator left the legislature if the former employee or legislator resumes legislative service, whether as an employee or a legislator, within five years after the alleged violation. The committee may also initiate complaints on its own motion, subject to the same time limitations. The time limitations of this subsection do not bar proceedings against a person who intentionally prevents discovery of a violation of this chapter.

*** Sec. 42.** AS 24.60.170(b) is amended to read:

(b) A complaint may be initiated by any person. The complaint must be in writing and signed under oath by the person making the complaint **and must contain a statement that the complainant has reason to believe that a violation of this chapter has occurred and describe any facts known to the complainant to support that belief.** The committee shall upon request provide a form for a complaint to a person wishing to file a complaint. **Upon receiving a complaint, the committee shall advise the complainant that the committee or the subject of the complaint may ask the complainant to testify at any stage of the proceeding as to the complainant's belief that the subject of the complaint has violated this chapter.** The committee shall immediately provide a copy of the complaint to the person who is the subject of the complaint.

*** Sec. 43.** AS 24.60.170(c) is amended to read:

(c) When the committee receives a complaint under (a) of this section, it **may assign the complaint to a staff person. The staff person shall conduct a preliminary examination of the complaint and advise the committee whether the allegations of the complaint, if true, constitute a violation of this chapter and whether there is credible information to indicate that a further investigation and proceeding is warranted. The staff recommendation shall be based on the information and evidence contained in the complaint as supplemented by the complainant and by the subject of the complaint, if requested to do so by the staff member. The committee shall consider the recommendation of the staff member, if any, and** shall determine whether the allegations of the complaint, if true, constitute a violation of this chapter. If the committee determines that the allegations, if proven,

would not give rise to a violation, **that the complaint is frivolous on its face, that there is insufficient credible information that can be uncovered to warrant further investigation by the committee,** or **that** [IF] the committee's lack of jurisdiction is apparent on the face of the complaint, the committee shall dismiss the complaint [,] and shall notify the complainant and the subject of the complaint of the dismissal. **The committee may ask the complainant to provide clarification or additional information before it makes a decision under this subsection and may request information concerning the matter from the subject of the complaint. Neither the complainant nor the subject of a complaint is obligated to provide the information. A proceeding conducted under this subsection, documents that are part of a proceeding, and a dismissal under this subsection are confidential as provided in (l) of this section unless the subject of the complaint waives confidentiality as provided in that subsection.**

* Sec. 44. AS 24.60.170(f) is amended to read:

(f) If the committee determines after investigation that there is not probable cause to believe that the subject of the complaint has violated this chapter, the committee shall dismiss the complaint. The committee may also dismiss portions of a complaint if it finds no probable cause to believe that the subject of the complaint has violated this chapter as alleged in those portions. The committee shall issue a decision explaining its dismissal. **Committee deliberations and vote on the dismissal order and decision are not open to the public or to the subject of the complaint.** A copy of the dismissal order and decision shall be sent to the complainant and to the subject of the complaint. Notwithstanding (l) of this section, a dismissal order and decision is open to inspection and copying by the public.

* Sec. 45. AS 24.60.170(g) is amended to read:

(g) If the committee investigation determines that a probable violation of this chapter exists that may be corrected by action of the subject of the complaint and that does not warrant sanctions other than correction, the committee may issue an opinion recommending corrective action. This opinion shall be provided to the complainant and to the subject of the complaint, and is open to inspection by the public. The subject of the complaint may comply with the opinion or may request a hearing before

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the committee under (j) of this section. After the hearing, the committee may amend or affirm the opinion. **If the subject of the complaint agrees to comply with the opinion but later fails to complete the corrective action in a timely manner, the committee may formally charge the person as provided in (h) of this section or may refer the matter to the appropriate house of the legislature, in the case of a legislator, or, in the case of a legislative employee, to the employee's appointing authority. The appropriate house of the legislature or the appointing authority, as appropriate, may take action to enforce the corrective action or may decline to take action and refer the matter to the committee. In either case, the committee may formally charge the person under (h) of this section.**

* **Sec. 46.** AS 24.60.170(h) is amended to read:

(h) If the subject of a complaint fails to comply with an opinion **and the committee decides** [ISSUED] under (g) of this section **to charge the person**, or if the committee determines after investigation that there is probable cause to believe that the subject of the complaint has committed a violation of this chapter that may require sanctions instead of or in addition to corrective action, the committee shall formally charge the person. The charge shall be served on the person charged, in a manner consistent with the service of summons under the rules of civil procedure, and a copy of the charge shall be sent to the complainant. The person charged may file a responsive pleading to the committee admitting or denying some or all of the allegations of the charge.

* **Sec. 47.** AS 24.60.170(i) is amended to read:

(i) A person charged under **(h)** [(b)] of this section may engage in discovery in a manner consistent with the Alaska Rules of Civil Procedure. The committee may **adopt procedures that**

(1) impose reasonable restrictions on the time for this discovery and on the materials that may be discovered;

(2) permit a person who is the subject of a complaint to engage in discovery at an earlier stage of the proceedings;

(3) impose reasonable restrictions on the release of information that the subject of a complaint acquires from the committee in the course of discovery.

or on information obtained by use of the committee's authority, in order to protect the privacy of persons not under investigation to whom the information pertains; however, the committee may not impose restrictions on the release of information by the subject of the complaint unless the complainant has agreed to be bound by similar restrictions and has not made public the information contained in the complaint, information about the complaint, or the fact of filing the complaint.

*** Sec. 48.** AS 24.60.170(l) is amended to read:

(l) Proceedings of the committee relating to complaints before it are confidential until the committee determines that there is probable cause to believe that a violation of this chapter has occurred. The complaint and all documents produced or disclosed as a result of the committee investigation are confidential and not subject to inspection by the public. If in the course of an investigation or probable cause determination the committee finds evidence of probable criminal activity, the committee shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the committee finds evidence of a probable violation of AS 15.13, the committee shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission. All meetings of the committee before the determination of probable cause are closed to the public **and to legislators who are not members of the committee. However, the committee may permit the subject of the complaint to attend a meeting other than the deliberations on probable cause.** The confidentiality provisions of this subsection may be waived by the subject of the complaint**, except that the subject of the complaint may not waive the confidentiality duty the committee owes to others and may not require the committee to deliberate in public**.

*** Sec. 49.** AS 24.60.174(a) is amended to read.

(a) If the person found to have violated this chapter is or was a member of the legislature, the committee's recommendations shall be forwarded by the chair of the committee to the presiding officer of the appropriate house of the legislature. **If the committee recommends sanctions other than expulsion from the legislature, the**

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committee recommendation

(1) must include a suggested timetable for the compliance reports required under (e) of this section, if any; and

(2) may include recommended fines that the legislature may impose if the legislator who was found to have violated this chapter does not comply with the sanctions imposed by the legislature in a timely manner.

* Sec. 50. AS 24.60.174 is amended by adding a new subsection to read:

(e) When a house of the legislature imposes a sanction other than expulsion on a member or former member, it shall advise the committee at the time of imposing the sanction of the terms it has imposed and of the timetable for compliance adopted with the sanctions. A legislator or former legislator on whom sanctions other than expulsion have been imposed shall report to the committee as required by the timetable. If the committee determines that the legislator or former legislator has not complied fully and in a timely manner with the sanctions imposed by the legislature, the committee may recommend that the legislature impose a fine or additional sanctions.

* Sec. 51. AS 24.60.176 is amended to read:

Sec. 24.60.176. Recommendations where violator is a legislative employee. If the person found to have violated this chapter is or was a legislative employee, the committee's recommendations shall be forwarded to the appropriate appointing authority which shall, as soon as is reasonably possible, determine the sanctions, if any, to be imposed. The appointing authority may not question the committee's findings of fact. The appointing authority shall assume the validity of the committee's findings [,] and determine and impose the appropriate sanctions. The appointing authority has the power to impose a sanction recommended by the committee or to impose a different sanction. The appointing authority shall enforce the sanction and shall report to the committee at a time specified by the committee concerning the employee's compliance with the sanction.

* Sec. 52. AS 24.60.176 is amended by adding a new subsection to read:

(b) In this section, "appointing authority" means

(1) the legislative council for employees of the Legislative Affairs

Agency and of the legislative council and for legislative employees not otherwise covered under this subsection;

(2) the Legislative Budget and Audit Committee for the legislative fiscal analyst and employees of the division of legislative finance, the legislative auditor and employees of the division of legislative audit, and employees of the Legislative Budget and Audit Committee;

(3) the appropriate finance committee for employees of the senate or house finance committees;

(4) the appropriate rules committee for employees of standing committees of the legislature, other than the finance committees, and employees of the senate secretary's office and the office of the chief clerk of the house of representatives;

(5) the legislator who made the hiring decision for employees of individual legislators; however, the legislator may request the appropriate rules committee to act in the legislator's stead;

(6) the ombudsman for employees of the office of the ombudsman, other than the ombudsman;

(7) the legislature for the ombudsman.

* **Sec. 53.** AS 24.60 is amended by adding a new section to read:

Sec. 24.60.178. Recommended sanctions. (a) When the committee finds that a person has violated this chapter, the committee may recommend appropriate sanctions, including sanctions set out in (b) of this section.

(b) The sanctions that the committee may recommend include

(1) imposition of a civil penalty of not more than $5,000 for each offense or twice the amount improperly gained, whichever is greater;

(2) divestiture of specified assets or withdrawal from specified associations;

(3) additional, detailed disclosure, either as a public disclosure or as a confidential disclosure to the committee;

(4) in the case of a legislative employee, suspension of employment with or without pay for a stated period of time or until stated conditions are met, or

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termination from legislative employment;

(5) restitution of property or reimbursement of improperly received benefits;

(6) public or private written reprimand;

(7) censure, including, in the case of a legislator, removal from a leadership position or committee membership and a determination that the legislator will not be appointed to serve in a leadership position or on a committee during the remainder of that legislature;

(8) placing the person on probationary status;

(9) in the case of a legislator, expulsion from the house of the legislature;

(10) any other appropriate measure.

(c) In addition to or in place of a sanction recommended under (b) of this section, the committee may recommend that the subject of a complaint be required to pay all or a portion of the costs related to the investigation and adjudication of a complaint.

* **Sec. 54.** AS 24.60.200 is amended to read:

Sec. 24.60.200. Financial disclosure by legislators, [AND] legislative directors, public members of the committee, and certain legislative employees. A legislator, [AND A] legislative director, **public member of the committee and legislative employee who is required to disclose** shall file a disclosure statement, under oath and on penalty of perjury, with the Alaska Public Offices Commission giving the following information about the income received by **the person filing the disclosure, the person's spouse or spousal equivalent, the person's** [THEM, THEIR SPOUSES, THEIR] dependent children, and **the person's** [THEIR] nondependent children who are living with **the discloser** [THEM]:

(1) the information that a public official is required to report under AS 39.50.030; **however, a person subject to disclosure requirements is not required to report any gifts** [, EXCEPT THAT SOURCES OF INCOME OTHER THAN GIFTS OF $1,000 OR LESS, AND LOANS OF $1,000 OR LESS NEED NOT BE REPORTED];

(2) as to income in excess of $1,000 received as compensation for personal services, the name and address of the source of the income, and a statement describing the nature of the services performed; if the source of income is known or reasonably should be known to have a substantial interest in legislative, administrative, or political action and the recipient of the income is a **person subject to disclosure requirements** [LEGISLATOR OR A LEGISLATIVE DIRECTOR], the amount of income received from the source shall be disclosed;

(3) as to each loan or loan guarantee over $1,000 from a source with a substantial interest in legislative, administrative, or political action, the name and address of the person making the loan or guarantee, the amount of the loan, the terms and conditions under which the loan or guarantee was given, the amount outstanding at the time of filing, and whether or not a written loan agreement exists [;

(4) THE SOURCE OF A GIFT, OTHER THAN AN INHERITANCE, RECEIVED DURING THE PRECEDING CALENDAR YEAR BY THE PERSON, THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THE PERSON, IF THE AMOUNT OF THE GIFT EXCEEDS $100 AND IS RECEIVED FROM A PERSON WHO IS NOT A MEMBER OF THE RECIPIENT'S FAMILY].

* **Sec. 55.** AS 24.60.210 is amended to read:

Sec. 24.60.210. Deadlines for filing of disclosure statements. A **person subject to disclosure requirements** [LEGISLATOR AND A LEGISLATIVE DIRECTOR] shall file an annual report with the Alaska Public Offices Commission, covering the previous calendar year, containing the disclosures required by AS 24.60.200, on or before **February** [APRIL] 15 of each year. **However, a legislative employee who is required to disclose who was first appointed to a position compensated at Range 19 or above on or after January 1 of the calendar year in which the report is to be filed is required to file the report on or before the 60th day after the employee was hired into the position.**

* **Sec. 56.** AS 24.60.240 is amended to read:

Sec. 24.60.240. Civil penalty for late filing. A **person subject to disclosure requirements** [LEGISLATOR OR A LEGISLATIVE DIRECTOR] who fails to file

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a properly completed report under AS 24.60.200 is subject to a civil penalty of not more than $10 a day for each day the delinquency continues as the Alaska Public Offices Commission determines, subject to appeal to the superior court. An affidavit stating facts in mitigation may be submitted to the Alaska Public Offices Commission by the person against whom the civil penalty is assessed. However, the imposition of the penalties prescribed in this section does not excuse the person from filing reports required by AS 24.60.200.

* **Sec. 57.** AS 24.60.250 is amended to read:

Sec. 24.60.250. Effect of failure to file by legislative candidate. In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that a candidate for the legislature who is **a person subject to disclosure requirements** [AN INCUMBENT LEGISLATOR OR A LEGISLATIVE DIRECTOR] has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the lieutenant governor. The candidate shall forfeit nomination to office and may not be seated in office. The lieutenant governor may not certify the person's nomination for office or election to office, and nomination to the office shall be certified as provided in AS 39.50.060(b).

* **Sec. 58.** AS 24.60.260(a) is amended to read:

(a) A person required to make a disclosure under this chapter may not knowingly make a false or deliberately misleading or incomplete disclosure to the committee or to the Alaska Public Offices Commission. **A person who files** [, OR FILE] a disclosure after a deadline set by this chapter or by a regulation adopted by the committee or by the Alaska Public Offices Commission **has violated this chapter and may be subject to imposition of a fine as provided in (c) of this section or AS 24.60.240**.

* **Sec. 59.** AS 24.60.260 is amended by adding a new subsection to read:

(c) The committee may impose a fine on a person who files a disclosure after a deadline set by this chapter. The amount of the fine imposed under this subsection may not exceed $2 for each day to a maximum of $100 for each disclosure for a late disclosure. However, if the committee finds that a late filing was inadvertent, the maximum fine the committee may impose under this subsection is $25.

* **Sec. 60.** AS 24.60.990(a)(5) is amended to read:

(5) "immediate family" means

(A) the spouse or spousal equivalent of the person; or

(B) a parent, child [, PARENTS, CHILDREN], including a stepchild and an adoptive child, and **sibling** [SIBLINGS] of a person **if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial financial interest with the person;**

* **Sec. 61.** AS 24.60.990(a) is amended by adding new paragraphs to read:

(15) "legislative employee who is required to disclose" means a legislative employee, other than a legislator or a legislative director, who is compensated at Range 19 or above of the state salary schedule under AS 39.27.011;

(16) "person subject to disclosure requirements" means a legislator, legislative director, public member of the committee, or legislative employee who is required to disclose;

(17) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage;

(18) "state office" includes the office of governor, lieutenant governor, member of the legislature, or similar state office.

* **Sec. 62.** AS 39.25.070 is amended to read:

Sec. 39.25.070. Powers and duties of personnel board. In addition to the other duties imposed by this chapter, the personnel board shall

(1) approve or disapprove amendments to the personnel rules in accordance with AS 39.25.140;

(2) consider and act upon recommendations for the extension of the partially exempt service and the classified service as provided in AS 39.25.130;

(3) hear and determine appeals by employees in the classified service as provided in AS 39.25.170;

(4) establish its own rules of procedure; two members constitute a quorum for the transaction of business and two affirmative votes are required for final action on matters acted upon by the board;

(5) elect a **chair** [CHAIRMAN] from its membership;

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(6) have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to a hearing authorized by this chapter;

(7) employ staff members, who shall be in the classified service;

(8) carry out its powers and duties under AS 39.52 [RETAIN INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c);

(9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS OF, HEARING OFFICERS IN ACCORDANCE WITH AS 39.52.350(c), 39.52.360, AND 39.52.370;

(10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 - 39.52.190; AND

(11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410, 39.52.440, AND 39.52.450].

* **Sec. 63.** AS 39.25.160 is amended by adding a new subsection to read:

(j) A state employee, whether in the classified, partially exempt, or exempt service, may not campaign on behalf of a political candidate on government time. This subsection does not prohibit the employees of the division of elections from carrying out duties related to elections or the members and employees of the commission on judicial conduct from carrying out duties relating to the evaluation of justices and judges.

* **Sec. 64.** AS 39.50.020 is amended to read:

Sec. 39.50.020. Report of financial and business interests. (a) A public official as defined in AS 39.50.200 other than the governor or the lieutenant governor [JUDICIAL OFFICER, COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A MUNICIPAL OFFICER] shall file a statement giving income sources and business interests, under oath and on penalty of

perjury, within 30 days after taking office as a public official. Candidates for state elective office other than a candidate who is subject to AS 24.60 shall file **the** [SUCH A] statement with the director of elections at the time of filing a declaration of candidacy or a nominating petition [,] or [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for elective municipal office shall file **the** [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that a previously accepted filing fee be returned and the candidate's name removed from the filing records. A statement shall also be filed by public officials no later than April 15 or 15 days after the person files a federal income tax return in each following year, whichever comes first. Persons who are members of boards or commissions not named in AS 39.50.200(b) are not required to file financial statements.

(b) **A public official other than an elected or appointed municipal officer** [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission. Candidates for the office of governor and lieutenant governor and, if the candidate is not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* **Sec. 65.** AS 39.50.030(a) is amended to read:

(a) Each statement **must** [SHALL] be an accurate representation of the financial affairs of the public official or candidate and **must** [SHALL] contain the same information for each member of the person's family, as specified in (b) **and (d)**

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of this section, to the extent that it is ascertainable by the public official or candidate. [AN ASSET OR LIABILITY UNDER $500, HOUSEHOLD GOODS, AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

* **Sec. 66.** AS 39.50.030(b) is amended to read:

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

(1) the source of all income over **$1,000** [$100] during the preceding calendar year, including taxable and nontaxable capital gains, received by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, **except that a source of income that is a gift must be included if the value of the gift exceeds $250**;

(2) the identity, by name and address, of each business in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned in any business during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(4) the identity and nature of each interest in real property, including an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(5) the identity of each trust or other fiduciary relation in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person held a beneficial interest **exceeding $1,000** during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee **of more than $1,000** made to the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person, the person's spouse or

dependent child, or a nondependent child of the person who lives with that person owed **more than $1,000; this paragraph requires disclosure of a loan, loan guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than $1,000 at any time during the preceding calendar year** [$500 OR MORE];

(7) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, **a partnership or professional corporation of which the person is a member** [THE PERSON'S MOTHER OR FATHER], or a corporation in which the person or the person's spouse or children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar year by the person, the person's **spouse or** dependent child, a nondependent child of the person who is living with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse or children, or a combination of them, holds a controlling interest.

* **Sec. 67.** AS 39.50.030 is amended by adding new subsections to read:

(d) In addition to the requirements of (b) of this section, each statement filed by a state official under this chapter must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed that a reader can ascertain the nature of the association. A state official shall disclose a close economic association with

(1) a supervisor who is not a public officer who has responsibility or authority either directly or indirectly over the person's employment, including preparing or reviewing performance evaluations, or granting or approving pay raises or promotions;

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(2) a legislator;

(3) a public official who is not an appointed or elected municipal officer; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If a state official forms a close economic association after the date on which the official files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the official's designated supervisor within 60 days after the formation of the association.

(f) In this section,

(1) "close economic association" means a financial relationship that exists between a state official and some other person or entity, including a relationship where the state official serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, business, or corporation;

(2) "designated supervisor" has the meaning given in AS 39.52.960;

(3) "public officer" has the meaning given in AS 39.52.960;

(4) "state official" has the meaning given in AS 39.52.960.

* **Sec. 68.** AS 39.50.070 is amended to read:

Sec. 39.50.070. Failure to report by <u>certain state employees</u> [DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS]. A person hired or appointed as the head or deputy head of, or director of a division within, a department in the executive branch **<u>or another state employee subject to this chapter</u>** who refuses or fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature for confirmation, until the person complies. The person may not be confirmed, hired, or appointed, and the person forfeits and may not be paid any salary, per diem, or travel expenses, until the person complies. If, after installation as the head or deputy head of, or director of a division within, a department, **<u>or, for other state employees, after beginning employment in the position subject to this chapter,</u>** the person refuses or fails to file the required statement when due, the person

is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date of the report.

* **Sec. 69.** AS 39.50.080 is amended to read:

Sec. 39.50.080. Failure to report by a commission or board <u>chair</u> [CHAIRMAN] or member. A person hired or appointed as a commissioner, <u>**chair,**</u> [CHAIRMAN] or member of a state commission or board specified in AS 39.50.200(b)<u>**, including the executive director of the Alaska Tourism Marketing Council,**</u> who fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature until the person complies. The person may not be confirmed, and the person forfeits and may not be paid any salary, per diem or travel expenses, until the person complies. If, after being seated as commissioner, <u>**chair,**</u> [CHAIRMAN] or member of <u>**the**</u> [SUCH A] commission or board the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date.

* **Sec. 70.** AS 39.50.200(a)(8) is amended to read:

(8) "public official" means a judicial officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of [, OR DIRECTOR OF A DIVISION,] a department in the executive branch <u>**or as the director of a division in a department in the executive branch**</u>. [AN ASSISTANT TO THE GOVERNOR,] chair or member of a state commission or board, [STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE,] the executive director of the Alaska Tourism Marketing Council, <u>**another state employee subject to this chapter,**</u> and each appointed or elected municipal officer;

* **Sec. 71.** AS 39.50.200(a) is amended by adding a new paragraph to read:

(10) "another state employee subject to this chapter"

(A) means a state employee who is employed in a position in

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the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 19 or above on the state salary schedule under AS 39.27.011 or at more than $4,200 per month; and

(B) means an assistant to the governor, an assistant to the lieutenant governor, a state investment officer, and the state comptroller in the Department of Revenue; but

(C) does not include a state officer or employee who is otherwise included in the definition of "public official" under this section; and

(D) does not include an employee who is a member of a collective bargaining unit.

* **Sec. 72.** AS 39.52.010(a) is amended to read:

(a) It is declared **that**

(1) [THAT] high moral and ethical standards among public officers in the executive branch are essential **to assure the trust, respect, and confidence of the people of this state;** [TO THE CONDUCT OF FREE GOVERNMENT; AND]

(2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics for the guidance of public officers will

(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;

(B) [, WILL] improve standards of public service; **and**

(C) [, AND WILL] promote and strengthen the faith and confidence of the people of this state in their public officers;

(3) [. IT IS FURTHER DECLARED THAT] holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;

(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest or even appearances of conflicts of interest;

(5) in order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered

fairly without bias or favoritism;

(6) no code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

(7) compliance with a code of ethics is an individual responsibility; thus all who serve the state have a solemn responsibility to avoid improper conduct and prevent improper behavior by colleagues and subordinates.

* **Sec. 73.** AS 39.52.110(c) is amended to read:

(c) Designated [THE ATTORNEY GENERAL, DESIGNATED] supervisors, hearing officers, and the personnel board must be guided by this section when issuing opinions and reaching decisions.

* **Sec. 74.** AS 39.52.120(b) is amended to read:

(b) A public officer may not

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

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state; **this paragraph may not be construed to prohibit the governor or the lieutenant governor from the lawful solicitation for and acceptance of campaign contributions or a public officer from the acceptance of a lawful gift, other than a campaign contribution, under AS 39.52.130;**

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate.

* **Sec. 75.** AS 39.52 is amended by adding a new section to read:

Sec. 39.52.125. Misuse of official position by state officials. (a) In addition

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to the prohibitions under AS 39.52.120, a state official may not

(1) take or withhold official action or exert official influence that could substantially benefit or harm the financial interest of a person with whom the state official is negotiating for employment;

(2) knowingly seek, accept, use, allocate, grant, or award public funds for a purpose other than that approved by law, or make a false statement in connection with a claim, request, or application for compensation, reimbursement, or travel allowances from public funds;

(3) require another public officer to perform services for the private benefit of the state official at any time, or allow a public officer to perform services for the private benefit of the state official on government time; or

(4) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for the purpose of political fund raising or campaigning.

(b) Except for the governor and the lieutenant governor, a state official may not on government time assist in political party or candidate activities, campaigning, or fund raising. A state official, including the governor and the lieutenant governor, may not require another public officer to perform an act in violation of this subsection.

(c) Unless approved by the personnel board, during a campaign period for an election in which the state official is a candidate, a state official may not use or permit another to use state funds to print or distribute a political mass mailing to individuals eligible to vote for the candidate. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or the general or special election;

(2) a mass mailing is considered to be political if it is from or about

a

(A) state official who is a candidate for election to a federal, state, or municipal elective office or to the board of a telephone or electric cooperative;

(B) another person who is a candidate for election to a federal, state, or municipal elective office or to the board of a telephone or electric cooperative.

(d) A state official, or another person on behalf of the official, or a campaign committee of the official, may not distribute or post campaign literature, placards, posters, fund-raising notices, or other communications intended to influence the election of a candidate in an election in public areas in a facility ordinarily used to conduct state government business.

(e) A state official may not directly, or by authorizing another to act on the official's behalf,

(1) agree to, threaten to, or state or imply that the official will take or withhold an official action as a result of a person's decision to provide or not provide a political contribution, donate or not donate to a cause favored by the official, or provide or not provide a thing of value; or

(2) state or imply that the official will perform or refrain from performing a lawful governmental service as a result of a person's decision to provide or not provide a political contribution, donate or not donate to a cause favored by the official or provide or not provide a thing of value.

(f) A state official may serve on a board of an organization, including a governmental entity, that regularly has a substantial interest in the official actions of the official, if the official discloses the board membership to the personnel board.

(g) In this section, when determining whether a state official is considered to be performing a task on government time, the personnel board shall consider the official's work schedule as set by the official's immediate supervisor, if any. An official other than the governor and lieutenant governor who engages in political campaign activities other than incidental campaign activities as described in this subsection during the work day shall take leave for the period of campaigning. Political campaign activities while on government time are permissible if the activities

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are part of the normal governmental duties of the official, including answering telephone calls and handling of incoming correspondence.

*** Sec. 76.** AS 39.52.130(c) is amended to read:

(c) In accordance with AS 39.52.240, a designated supervisor **or a state official** may request guidance from the **personnel board** [ATTORNEY GENERAL] concerning whether acceptance of a particular gift is prohibited.

*** Sec. 77.** AS 39.52.130 is amended by adding new subsections to read:

(e) In addition to the requirements of (a) and (b) of this section, and except as provided in (f) - (n) of this section, a state official may not solicit, accept, or receive, directly or indirectly, a gift worth $250 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, employment, promise, or in any other form, or gifts from the same person worth less than $250 that in a calendar year aggregate to $250 or more in value. Except for food or beverage for immediate consumption, a state official may not solicit, accept, or receive during a legislative session a gift with any monetary value from a lobbyist or a person acting on behalf of a lobbyist.

(f) A state official who accepts a gift under (g)(4) of this section shall disclose the gift if it has a value in excess of $250, including the name and occupation of the giver and a description of the gift and its approximate value, to the personnel board within 30 days after the date of its receipt. Except as provided in (j) of this section, a gift under (g)(6) of this section that has a value of $250 or more shall be disclosed to the personnel board annually on or before February 15 of the following calendar year; the disclosure must include only a description of the gift and the identity of the donor. The personnel board shall maintain a public record of the disclosures received of gifts under (g)(4) of this section. Disclosures relating to gifts under (g)(6) of this section shall be maintained but are confidential and may only be used by the attorney general or the personnel board and its employees and contractors in the investigation of a possible violation of this section or in a proceeding under AS 39.52.310 - 39.52.390. If the disclosures become part of the record of a proceeding under AS 39.52.310 - 39.52.390, the confidentiality provisions in AS 39.52.340 apply to the disclosures. The personnel board shall forward disclosures it receives from a state

official concerning gifts under (g)(4) of this section to the Alaska Public Offices Commission.

(g) Notwithstanding (e) of this section, it is not a violation of this section for a state official to accept

(1) hospitality, other than hospitality described in (4) of this subsection

(A) with incidental transportation at the residence of a person; however, a vacation home located outside the state is not considered a residence for the purposes of this subparagraph; or

(B) at a social event or meal;

(2) discounts that are available

(A) generally to the public or to a large class of persons to which the person belongs; or

(B) when on state business;

(3) food or foodstuffs indigenous to the state that are shared generally as a cultural or social norm;

(4) travel and hospitality primarily for the purpose of obtaining information on matters of governmental concern;

(5) gifts from the immediate family of the person; or

(6) gifts that are not connected with the recipient's governmental status.

(h) Notwithstanding (e) of this section, a state official may accept a gift of property worth $250 or more, other than money, from a foreign government or from the government of the United States or another state or from an official of a foreign government or of the government of the United States or another state if the person accepts the gift on behalf of the state. The person shall, within 60 days after receiving the gift, deliver the gift to the Office of the Governor, which shall determine the appropriate disposition of the gift.

(i) Notwithstanding (e) of this section, a state official may solicit, accept, or receive a gift on behalf of a recognized, nonpolitical charitable organization in accordance with guidelines adopted by the personnel board.

(j) A state official who receives an inheritance from a person other than a family member shall disclose the fact of the receipt of an inheritance and the identity

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of the person from whom it was received to the personnel board within 60 days after receiving notice of the inheritance. The personnel board shall maintain a public record of the disclosure. This subsection does not require disclosure of the value of the inheritance.

(k) A state official or public agency may accept (1) a gift of volunteer services for governmental purposes so long as the person making the gift of services is not receiving compensation from another source for the services or (2) a gift of the services of a trainee who is participating in an educational program approved by the personnel board if the services are used for governmental purposes. The personnel board shall approve training under a program of the University of Alaska and training under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act). A governmental volunteer or educational trainee shall be considered to be a public employee for purposes of compliance with this chapter other than AS 39.52.150, 39.52.155, and 39.52.160. If a person believes that a governmental volunteer or educational trainee has violated the provisions of one of those sections, the person may file a complaint under AS 39.52.310. The provisions of AS 39.52.310 - 39.52.390 apply to the proceeding. This subsection does not permit a state official to accept a gift of services for nongovernmental purposes.

(l) A state official who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the official's public office shall report the receipt of the gift by the family member to the personnel board if the gift would have to be reported under this section if it had been received by the public officer or if receipt of the gift by a public officer would be prohibited under this section.

(m) In this section, the value of a gift shall be determined by the fair market value of the gift to the extent that the fair market value can be determined.

(n) In this section, "immediate family" or "family member" means

(1) the spouse of the person;

(2) another person cohabiting with the person in a conjugal relationship that is not a legal marriage;

(3) a child, including a stepchild and an adoptive child, of the person;

(4) a parent, sibling, grandparent, aunt, or uncle of the person; and

(5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse.

* **Sec. 78.** AS 39.52 is amended by adding new sections to read:

Sec. 39.52.132. Restrictions on fund raising. (a) A state official, including the governor and the lieutenant governor, may not

(1) on a day when either house of the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a candidate for state office;

(2) accept money from an event held on a day when either house of the legislature is in regular or special session if a substantial purpose of the event is to raise money on behalf of the state official for a campaign for state office; or

(3) expend money in a campaign for state office that was raised by or on behalf of a state official on a day when either house of the legislature was in a legislative session under a declaration of candidacy or general letter of intent to become a candidate for public office.

(b) In this section, "contribution" has the meaning given in AS 15.13.400.

Sec. 39.52.134. Restrictions on employee candidacies. A state official, other than the governor and the lieutenant governor, may not file a letter of intent to become a candidate or file a declaration of candidacy for the legislature.

Sec. 39.52.136. Open meetings law. State officials shall abide by the open meetings law under AS 44.62.310 - 44.62.312.

* **Sec. 79.** AS 39.52.150(d) is amended to read:

(d) A public officer shall report in writing to the **personnel board and the** designated supervisor a personal or financial interest held by the officer, or an immediate family member, in a state grant, contract, lease, or loan that is awarded, executed, or administered by the agency the officer serves.

* **Sec. 80.** AS 39.52 is amended by adding a new section to read:

Sec. 39.52.155. Disclosure of close economic associations. (a) A state official shall disclose to the official's designated supervisor and to the Alaska Public Offices Commission, which shall maintain a public record of the disclosure, the formation or maintenance of a close economic association involving a substantial

financial matter with

(1) a supervisor who is not a public officer who has responsibility or authority, either directly or indirectly, over the person's employment, including preparing or reviewing performance evaluations, or granting or approving pay raises or promotions;

(2) legislators;

(3) a public official who is required to file a financial disclosure statement under AS 39.50 and is not an appointed municipal officer;

(4) a registered lobbyist; or

(5) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(b) A state official required to make a disclosure under this section shall make an annual disclosure no later than February 15 of each year of the individual's close economic associations then in existence. If the official forms a close economic association after that date, the disclosure must be made within 60 days after forming the association. A disclosure under this section must be sufficiently detailed that a reader of the disclosure can ascertain the nature of the association.

(c) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the state official is married or who is the official's spousal equivalent, the state official shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The state official shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection,

(1) "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person;

(2) "spousal equivalent" means a person cohabiting with the state official in a conjugal relationship that is not a legal marriage.

(d) In this section, "close economic association" means a financial relationship that exists between a state official and some other person or entity, including but not limited to relationships where the state official serves as a consultant or advisor to, is

a member or representative of, or has a financial interest in, any association, partnership, business, or corporation.

* **Sec. 81.** AS 39.52.170 is amended to read:

Sec. 39.52.170. Outside employment restricted. (a) A public employee may not render services to benefit a personal or financial interest or engage in or accept employment outside the agency which the employee serves, if the outside employment or service is incompatible or in conflict with the proper discharge of official duties **or, in the case of a state official, if the compensation sought or accepted for the personal services is significantly greater than the value of the services rendered, taking into account the higher rates generally charged by specialists in a profession.**

(b) A public employee rendering services for compensation, or engaging in employment outside the employee's agency, shall report by July 1 of each year the outside services or employment to the **personnel board and to the** employee's designated supervisor. During the year, any change in an employee's outside service or employment activity must be reported to the designated supervisor as it occurs.

* **Sec. 82.** AS 39.52.170 is amended by adding a new subsection to read:

(c) A state official may not accept a payment of anything of value, except for actual and necessarily incurred travel expenses, for an appearance or speech by the state official; this subsection does not apply to the salary paid to a state official for making an appearance or speech as part of the official's normal course of employment.

* **Sec. 83.** AS 39.52.180(b) is amended to read:

(b) **Except as provided in (d) of this section, this** [THIS] section does not prohibit an agency from contracting with a former public officer to act on a matter on behalf of the state.

* **Sec. 84.** AS 39.52.180(c) is amended to read:

(c) **Except as provided in (d) of this section, and, in the case of a state official, only after the elapse of one year from the date the state official left state service, the** [THE] head of an agency may waive application of (a) of this section after determining that representation by a former public officer is not adverse to the public interest. The waiver must be in writing and a copy of the waiver must be

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provided to the attorney general for approval or disapproval.

* **Sec. 85.** AS 39.52.180 is amended by adding a new subsection to read:

(d) An agency may not enter into a contract with a state official who has left state service and the head of an agency may not waive application of (a) of this section if the purpose of the proposed contract or representation includes lobbying before a state agency or the state legislature.

* **Sec. 86.** AS 39.52.210 is amended to read:

Sec. 39.52.210. Declaration of potential violations by public employees. (a) A public employee who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall

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

(2) immediately disclose the matter in writing to the designated supervisor **and the personnel board**.

(b) A public employee's designated supervisor shall make a written determination whether an employee's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the public employee and to the personnel board**. If the supervisor determines that a violation could exist or will occur, the supervisor shall,

(1) reassign duties to cure the employee's potential violation, if feasible; or

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

(c) A **state official or a** designated supervisor may request guidance from the **personnel board** [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a public employee is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 87.** AS 39.52.220 is amended to read:

Sec. 39.52.220. Declaration of potential violations by members of boards or commissions. (a) A member of a board or commission who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall disclose the

need to believe which disclosures are confidential which are public record.

matter on the public record and in writing to the designated supervisor **and to the personnel board**. The supervisor shall determine whether the member's involvement violates AS 39.52.110 - 39.52.190 **and shall provide a copy of the written determination to the board or commission member and to the personnel board**. If a member of the board or commission objects to the ruling of the supervisor, or if the supervisor discloses an involvement requiring a determination, the members present at a meeting, excluding the involved member, shall vote on the matter. If the supervisor or a majority of the members voting determine that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter.

(b) The **member of the board or commission, the** designated supervisor, or the board or commission may request guidance from the **personnel board** [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

*** Sec. 88.** AS 39.52.230 is amended to read:

Sec. 39.52.230. Reporting of potential violations. A person may report to a public officer's designated supervisor, under oath and in writing, a potential violation of AS 39.52.110 - 39.52.190 by the public officer. The supervisor shall provide a copy of the report to the officer who is the subject of the report **and to the personnel board**, and shall review the report to determine whether a violation may exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor determines that the matter may result in a violation of AS 39.52.110 - 39.52.190.

*** Sec. 89.** AS 39.52.240(a) is amended to read:

(a) Upon the written request of a **state official,** designated supervisor, or a board or commission, the **personnel board** [ATTORNEY GENERAL] shall issue opinions interpreting this chapter. The requester must supply any additional information requested by the **personnel board** [ATTORNEY GENERAL] in order to issue the opinion. Within 60 days after receiving a complete request, the **personnel board** [ATTORNEY GENERAL] shall issue an advisory opinion on the question.

*** Sec. 90.** AS 39.52.240(b) is amended to read:

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(b) The **personnel board** [ATTORNEY GENERAL] may offer oral advice if delay would cause substantial inconvenience or detriment to the requesting party.

* **Sec. 91.** AS 39.52.240(c) is amended to read:

(c) **In the case of a request for advice from a designated supervisor or a board or commission, the** [THE] designated supervisor or **the** [A] board or commission shall make a written determination based on the advice of the **personnel board** [ATTORNEY GENERAL]. If the advice [OF THE ATTORNEY GENERAL] provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 - 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

* **Sec. 92.** AS 39.52.240(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may reconsider, revoke, or modify an advisory opinion at any time, including upon a showing that material facts were omitted or misstated in the request for the opinion.

* **Sec. 93.** AS 39.52.240(h) is amended to read:

(h) The **personnel board** [ATTORNEY GENERAL] shall publish in the Alaska Administrative Journal, with sufficient deletions to prevent disclosure of the persons whose identities are confidential under (g) of this section, the advisory opinions issued under this section that the **personnel board** [ATTORNEY GENERAL] determines to be of major import because of their general applicability to executive branch officers.

* **Sec. 94.** AS 39.52.250 is amended to read:

Sec. 39.52.250. Advice to former public officers. (a) A former public officer may request, in writing, an opinion from the **personnel board** [ATTORNEY GENERAL] interpreting this chapter. The **personnel board** [ATTORNEY GENERAL] shall give advice in accordance with AS 39.52.240(a) or (b) and publish opinions in accordance with AS 39.52.240(h).

(b) A former public officer is not liable under this chapter for any action carried out in accordance with the advice of the **personnel board** [ATTORNEY

GENERAL] issued under this section, if the public officer fully disclosed all relevant facts reasonably necessary to the issuance of the advice.

* **Sec. 95.** AS 39.52.260 is amended to read:

Sec. 39.52.260. Designated supervisor's report and <u>personnel board</u> [ATTORNEY GENERAL] review. (a) A designated supervisor shall quarterly submit a report to the <u>**personnel board that**</u> [ATTORNEY GENERAL WHICH] states the facts, circumstances, and disposition of any disclosure made under AS 39.52.210 - 39.52.240.

(b) The <u>**personnel board**</u> [ATTORNEY GENERAL] shall review determinations reported under this section. The <u>**personnel board**</u> [ATTORNEY GENERAL] may request additional information from a supervisor concerning a specific disclosure and its disposition.

(c) The report prepared under this section is confidential and not available for public inspection unless formal proceedings under AS 39.52.350 are initiated based on the report. If formal proceedings are initiated, the relevant portions of the report are public documents open to inspection. The <u>**personnel board**</u> [ATTORNEY GENERAL] shall, however, make available to the public a summary of the reports received under this section, with sufficient deletions to prevent disclosure of a person's identity.

* **Sec. 96.** AS 39.52.310(a) is amended to read:

(a) The <u>**personnel board**</u> [ATTORNEY GENERAL] may initiate a complaint, or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or 39.52.260.

* **Sec. 97.** AS 39.52.310(b) is amended to read:

(b) A person may file a complaint with the <u>**personnel board**</u> [ATTORNEY GENERAL] regarding the conduct of a current or former public officer. A complaint must be in writing, be signed under oath, and contain a clear statement of the details of the alleged violation.

* **Sec. 98.** AS 39.52.310(c) is amended to read:

(c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the governor, lieutenant governor, or the attorney general, the [MATTER SHALL BE

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REFERRED TO THE PERSONNEL BOARD. THE] personnel board shall retain independent counsel who shall act in the place of the attorney general under AS 39.52.350 [(d) - (i) OF THIS SECTION, AS 39.52.320 - 39.52.350,] and 39.52.360(c) and (d).

* **Sec. 99.** AS 39.52.310(d) is amended to read:

(d) The **personnel board** [ATTORNEY GENERAL] shall review each complaint filed, to determine whether it is properly completed and contains allegations which, if true, would constitute conduct in violation of this chapter. The **personnel board** [ATTORNEY GENERAL] may require the complainant to provide additional information before accepting the complaint. If the **personnel board** [ATTORNEY GENERAL] determines that the allegations in the complaint do not warrant an investigation, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint with notice to the complainant and the subject of the complaint.

* **Sec. 100.** AS 39.52.310(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may refer a complaint to the subject's designated supervisor for resolution under AS 39.52.210 or 39.52.220.

* **Sec. 101.** AS 39.52.310(f) is amended to read:

(f) If the **personnel board** [ATTORNEY GENERAL] accepts a complaint for investigation, the **personnel board** [ATTORNEY GENERAL] shall serve a copy of the complaint upon the subject of the complaint, for a response. The **personnel board** [ATTORNEY GENERAL] may require the subject to provide, within 20 days after service, full and fair disclosure in writing of all facts and circumstances pertaining to the alleged violation. Misrepresentation of a material fact in a response to the **personnel board** [ATTORNEY GENERAL] is a violation of this chapter. Failure to answer within the prescribed time, or within any additional time period that may be granted in writing by the **personnel board** [ATTORNEY GENERAL], may be considered an admission of the allegations in the complaint.

* **Sec. 102.** AS 39.52.310(g) is amended to read:

(g) If a complaint is accepted under (f) of this section, the **personnel board** [ATTORNEY GENERAL] shall investigate to determine whether a violation of this chapter has occurred. At any stage of an investigation or review, the **personnel board**

[ATTORNEY GENERAL] may issue a subpoena under AS 39.52.380.

* **Sec. 103.** AS 39.52.320 is amended to read:

Sec. 39.52.320. Dismissal before formal proceedings. If, after investigation, it appears that there is no probable cause to believe that a violation of this chapter has occurred, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint and [PREPARE AND FILE A CONFIDENTIAL SUMMARY WITH THE PERSONNEL BOARD. THE ATTORNEY GENERAL] shall communicate disposition of the matter promptly to the complainant and to the subject of the complaint.

* **Sec. 104.** AS 39.52.330 is amended to read:

Sec. 39.52.330. Corrective or preventive action. After determining that the conduct of the subject of a complaint does not warrant a hearing under AS 39.52.360, the **personnel board** [ATTORNEY GENERAL] shall recommend action to correct or prevent a violation of this chapter. The **personnel board** [ATTORNEY GENERAL] shall communicate the recommended action to the complainant and the subject of the complaint. The subject of the complaint shall comply with the **personnel board's** [ATTORNEY GENERAL'S] recommendation.

* **Sec. 105.** AS 39.52.340(a) is amended to read:

(a) Before the initiation of formal proceedings under AS 39.52.350, information regarding an investigation conducted under this chapter, or obtained by the **personnel board** [ATTORNEY GENERAL] during the investigation, is confidential. The **personnel board** [ATTORNEY GENERAL] and all persons contacted during the course of an investigation shall maintain confidentiality regarding the existence of the investigation. A person who violates this section is guilty of a class A misdemeanor.

* **Sec. 106.** AS 39.52.350 is amended to read:

Sec. 39.52.350. Probable cause for hearing. (a) If the **personnel board** [ATTORNEY GENERAL] determines that there is probable cause to believe that a knowing violation of this chapter or a violation that cannot be corrected under AS 39.52.330 has occurred, or that the subject of a complaint failed to comply with a recommendation for corrective or preventive action, the **personnel board** [ATTORNEY GENERAL] shall initiate formal proceedings by **requesting the**

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attorney general to serve [SERVING] a copy of an accusation upon the subject of the accusation. The accusation shall specifically set out the alleged violation. After service, the accusation is a public document open to inspection. Except as provided in AS 39.52.370(c), all subsequent proceedings are open to the public.

(b) The subject of the accusation shall file an answer with the personnel board and the attorney general within 20 days after service of the accusation, or at a later time specified by the personnel board [ATTORNEY GENERAL]. If the subject of the accusation fails to timely answer, the allegations are considered admitted.

(c) If the subject of the accusation denies that a violation of this chapter has occurred, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board [, WHICH] shall appoint a hearing officer to conduct a hearing.

(d) If the subject of the accusation admits a violation of this chapter, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board shall [TO] impose penalties under AS 39.52.410, 39.52.440, and 39.52.450, as appropriate.

* **Sec. 107.** AS 39.52.920 is amended to read:

Sec. 39.52.920. Agency policies. Subject to the review and approval of the personnel board [ATTORNEY GENERAL], an agency may adopt a written policy that, in addition to the requirements of this chapter, limits the extent to which a public officer in the agency or an administrative unit of the agency may

(1) acquire a personal interest in an organization or a financial interest in a business or undertaking that may benefit from official action taken or withheld by the agency or unit;

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

(3) accept a gift.

* **Sec. 108.** AS 39.52.950 is amended to read:

Sec. 39.52.950. Regulations. The attorney general may adopt regulations under AS 44.62 ([THE] Administrative Procedure Act) necessary to interpret and implement the provisions concerning complaints under this chapter. The personnel

board may adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to interpret and implement the other provisions of this chapter.

* **Sec. 109.** AS 39.52.960(11) is amended to read:

(11) "immediate family member" means

(A) the spouse of the person;

(B) another person cohabiting with the person in a conjugal relationship that is not a legal marriage; or

(C) a parent, child including a stepchild and an adoptive child, and sibling of a person if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial financial interest with the person [A PUBLIC OFFICER'S SPOUSE, A RELATION BY BLOOD WITHIN AND INCLUDING THE SECOND DEGREE OF KINDRED, AND A REGULAR MEMBER OF THE OFFICER'S HOUSEHOLD];

* **Sec. 110.** AS 39.52.960 is amended by adding a new paragraph to read:

(23) "state official" means the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch or as the director of a division in a department in the executive branch, the chair or member of a state commission or board, as defined in AS 39.50.200(b), the executive director of the Alaska Tourism Marketing Council, an assistant to the governor or the lieutenant governor, a state investment officer, the state comptroller in the Department of Revenue, and a state employee who is not otherwise listed in this definition who is employed by an agency in the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 19A or above on the state salary schedule under AS 39.27.011 or at more than $4,200 per month; however, "state official" does not include an employee who is a member of a collective bargaining unit.

* **Sec. 111.** AS 44.62.175(a) is amended to read:

(a) The lieutenant governor shall publish or contract for the publication of the Alaska Administrative Journal. The journal shall be published weekly. The journal must include

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(1) notices of proposed actions given under AS 44.62.190(a);

(2) notices of state agency meetings required under AS 44.62.310(e), even if the meeting has been held;

(3) notices of solicitations to bid issued under AS 36.30.130;

(4) notices of state agency requests for proposals issued under AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; AS 38.05.120; and AS 43.40.010;

(5) executive orders and administrative orders issued by the governor;

(6) written delegations of authority made by the governor or the head of a principal department under AS 44.17.010;

(7) the text or a summary of the text of a regulation or order of repeal of a regulation for which notice is given under AS 44.62.190(a), including an emergency regulation or repeal whether or not it has taken effect;

(8) a summary of the text of recently issued formal opinions and memoranda of advice of the attorney general;

(9) a list of vacancies on boards, commissions, and other bodies whose members are appointed by the governor; and

(10) in accordance with AS 39.52.240(h), advisory opinions of the **personnel board** [ATTORNEY GENERAL].

* **Sec. 112.** RELIANCE ON ADVISORY OPINIONS OF THE ATTORNEY GENERAL. Notwithstanding the amendments made to AS 39.52.240 - 39.52.250 by secs. 89 - 94 of this Act, a public officer or a former public officer may rely on an advisory opinion given by the attorney general under AS 39.52.240 - 39.52.250 before the effective date of this bill section to the same extent that the public officer or former public officer could have relied on the opinion if those sections had not been amended by this Act.

(Explanatory Sections)

* **Sec. 113.** PROVISIONS MADE SPECIFICALLY APPLICABLE TO INCUMBENT LEGISLATORS. Notwithstanding any other provision of AS 15.13, the provisions of AS 15.13.116(d), added by sec. 4 of this Act, apply to authorize a legislator holding office in the legislature during the First Regular Session of the Twentieth Alaska State Legislature who, under sec. 32, ch. 48, SLA 1996, retains unused campaign contributions in the candidate's election campaign account, to transfer to a legislative office account as permitted

1 under AS 15.13.116(d), enacted by sec. 4 of this Act. All amounts expended under this
2 section shall be annually accounted for under AS 15.13.110(a)(4).
3 * **Sec. 114.** Sections 3, 4, and 113 of this Act are retroactive to December 31, 1996.
4 * **Sec. 115.** Sections 3, 4, 113, and 114 of this Act take effect immediately under
5 AS 01.10.070(c).
6 * **Sec. 116.** Sections 1, 2, and 5 - 112 of this Act take effect January 1, 1998.

How Change this?

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0-LS0074\KA.1 -
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 6, line 2:

Delete "(a)(1) - (8)"

Insert "(a)(3) or (4)"

0-LS0074\KA.7
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 45, line 8:

Delete "In addition to the requirements of (a) and (b) of this section"

Insert "For a gift that is not prohibited by (a) of this section and that is not required to be reported under (b) of this section"

Tighten up section 4.
Hope to compromise,
~~may~~ to have to get rid of 8

0-LS0074\KA.1 -
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 6, line 2:

Delete "(a)(1) - (8)"

Insert "(a)(3) or (4)"

0-LS0074\KA.7
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 45, line 8:

Delete "In addition to the requirements of (a) and (b) of this section"

Insert "For a gift that is not prohibited by (a) of this section and that is not required to be reported under (b) of this section"

0-LS0074\KA.2
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 2, lines 5 - ~~16~~ 15:

Delete "to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, when the office is to be filled at a general election, before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the general election;

(2)"

Insert "[TO A CANDIDATE FOR GOVERNOR OR LIEUTENANT GOVERNOR OR AN INDIVIDUAL WHO FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THAT INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100 FOR GOVERNOR OR LIEUTENANT GOVERNOR, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION, BEFORE THE LATER OF THE FOLLOWING DATES:

(A) THE DATE THE INDIVIDUAL

(i) BECOMES A CANDIDATE; OR

(ii) FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THE INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100; OR

(B) JANUARY 1 OF THE YEAR OF THE GENERAL

ELECTION;

(2)]"

Page 2, line 28:

Delete "(3)"

Insert "(2) [(3)]"

0-LS0074\KA.2
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 2, lines 5 - 16;

Delete "to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, when the office is to be filled at a general election, before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the general election;

(2)"

Insert "[TO A CANDIDATE FOR GOVERNOR OR LIEUTENANT GOVERNOR OR AN INDIVIDUAL WHO FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THAT INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100 FOR GOVERNOR OR LIEUTENANT GOVERNOR, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION, BEFORE THE LATER OF THE FOLLOWING DATES:

(A) THE DATE THE INDIVIDUAL

(i) BECOMES A CANDIDATE; OR

(ii) FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THE INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100; OR

(B) JANUARY 1 OF THE YEAR OF THE GENERAL

ELECTION;

(2)]"

Page 2, line 28:

Delete "(3)"

Insert "(2) [(3)]"

Schedule Feb 5

Conley Am. Created
"Office Acct" $5,000 can be
transferred to "Reserve Acct" Can
from Campaign ($20,000 / Senate term)
take up to $5,000 per year of term.
But it does have loophole to allow
putting $ from reserve acct
into campaign acct —
Needs to be changed in STA!
See p6 line 2 → p3 Sec. 3 List. p4 (item 8)

✓ Say A1-#7

A1,8 needs to
be eliminated

Before ~~Dec~~ 2015 ~~Sept~~ legis Special Lobbyists banned but
legis Employee Spouse Lobbying
This is Not fair Must be disclosed —
Just
Should just require disclosure
for both.
Jerry has amendment prepared.

Stop

(Larry Crane)

Told Ben:

Porter's Amendments:

1. Put Back: precludes action this 90 days prior to election

2. Make illegal. Sanders did

but ok to write back to Ben

SOKAO

Bentley

It's done! 1/27/98

ordered 1/25/97

Get Sectional from Leg Legal

Do NOT schedule this year!

(Senate Finance's request.)

0-LS0074\KA.10
Cramer
4/30/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 25, line 17, following ".":

Insert "**The committee shall respond to a complaint concerning the conduct of a candidate for election to state office received during the campaign period in accordance with (o) of this section.**"

Page 28, following line 26:

Insert a new bill section to read:

"* **Sec. 49.** AS 24.60.170 is amended by adding a new subsection to read:

(o) The committee shall return a complaint concerning the conduct of a candidate for state office received during a campaign period to the complainant unless the subject of the complaint permits the committee to assume jurisdiction under this subsection. If the committee receives a complaint concerning the conduct of a candidate during the campaign period, the committee shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the committee's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the committee mails or otherwise sends notice of the complaint to the candidate, notify the committee that the candidate chooses to have the committee proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the committee that the candidate is not waiving the suspension of committee jurisdiction, the committee shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period. A campaign period under this subsection begins on the later of 45 days before a primary election in which the legislator or legislative employee is a candidate for

state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified."

Renumber the following bill sections accordingly.

Page 59, line 21:

Delete "89 - 94"

Insert "90 - 95"

Page 60, line 3:

Delete "113"

Insert "114"

Page 60, line 4:

Delete "113, and 114"

Insert "114, and 115"

Page 60, line 6:

Delete "5 - 112"

Insert "5 - 113"

0-LS0074\KA.11
Cramer
4/30/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

DRAFT

Page 12, line 19:

Delete "a new subsection"

Insert "new subsections"

Page 12, following line 27:

Insert a new subsection to read:

"(i) A legislator or legislative employee may only use public funds, facilities, equipment, services, or other assets or resources in a matter that involves partisan politics if the public purpose of the activity outweighs the partisan political purpose. A group mailing addressed to members of only one political party is presumed to have a partisan political purpose. The legislator or legislative employee may overcome that presumption with substantial evidence that the public purpose of the mailing outweighs the partisan political purpose."

DRAFT

0-LS0074\KA.16
Cramer
1/15/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 3, following line 18:

Insert a new bill section to read:

"* **Sec. 3.** AS 15.13.110(a) is amended to read:

(a) Each candidate and group shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 10 days after the election; and

(4) February 15 for expenditures made and contributions received that were not reported during the previous year, including, if applicable, all amounts expended from a **public** [LEGISLATIVE] office **expense** account established under AS 15.13.116(a)(9) and all amounts expended from a municipal office account under AS 15.13.116(a)(10), or when expenditures were not made or contributions were not received during the previous year."

Renumber the following bill sections accordingly.

Page 4, line 30:

Delete "legislative office account **or to an office**"

Insert "**public** [LEGISLATIVE] office **expense** account **or to a public office expense**"

Page 5, line 3:

Delete "legislative office"

Insert "**public** [LEGISLATIVE] office **expense**"

Page 5, line 6:

Delete "legislative office"

Insert "**public** [LEGISLATIVE] office **expense**"

Page 5, line 25:

Following "in the":

Delete "office"

Insert "public office expense"

Delete "legislative office"

Insert "public office expense"

Page 5, line 28:

Delete "legislative office"

Insert "public office expense"

Page 5, line 30:

Delete "legislative office"

Insert "public office expense"

Page 5, line 31:

Following "The":

Delete "office"

Insert "public office expense"

Delete "legislative office"

Insert "public office expense"

Page 6, line 1, following "in the":

Delete "office"

Insert "public office expense"

Page 10, line 7:

Delete "as an office allowance,"

Insert "under AS 24.10.110,"

Page 59, line 31:

Delete "legislative office"

Insert "public office expense"

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur in the following places:

Page 59, lines 21 and 28

Page 60, lines 1, 3, 4, and 6

0-LS0074\KA.17
Cramer
1/15/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 8, following line 4:

Insert a new bill section to read:

"* **Sec. 8.** AS 24.45.041(b) is amended to read:

(b) The registration form prescribed by the commission must include

(1) the lobbyist's full name and complete permanent residence and business address and telephone number, as well as any temporary residential and business address and telephone number in the state capital during a legislative session;

(2) the full name and complete address of each person by whom the lobbyist is retained or employed;

(3) whether the person from whom the lobbyist receives compensation employs the person solely as a lobbyist or whether the person is a regular employee performing other services for the employer **that** [WHICH] include but are not limited to the influencing of legislative or administrative action;

(4) the nature or form of the lobbyist's compensation for engaging in lobbying, including salary, fees, or reimbursement for expenses received in consideration for, or directly in support of or in connection with, the influencing of legislative or administrative action;

(5) a general description of the subjects or matters on which the registrant expects to lobby or to engage in the influencing of legislative or administrative action;

(6) the full name and complete address of the person, if other than the registrant, who has custody of the accounts, books, papers, bills, receipts, and other documents required to be maintained under this chapter;

(7) the identification of a legislator, legislative employee, or state official to whom the lobbyist is married or who is the spousal equivalent of the

lobbyist."

Renumber the following bill sections accordingly.

Page 15, following line 24:

Insert a new bill section to read:

"* **Sec. 25.** AS 24.60.070(d) is amended to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the **legislator or** legislative employee is married or who is the **legislator's or** legislative employee's spousal equivalent, the **legislator or** legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The **legislator or** legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person."

Renumber the following bill sections accordingly.

Page 59, following line 19:

Insert a new bill section to read:

"* **Sec. 114.** AS 24.45.165 is repealed."

Renumber the following bill sections accordingly.

Page 60, following line 2:

Insert a new bill section to read:

"* **Sec. 117.** CONDITIONAL EFFECTIVE DATE OF CERTAIN RESTRICTIONS AND REQUIREMENTS RELATING TO CERTAIN LOBBYISTS. (a) Section 8 of this Act, amending AS 24.45.041(b), sec. 25 of this Act, amending AS 24.60.070(d), which is enacted in sec. 24 of this Act, and sec. 114 of this Act repealing AS 24.45.165, take effect only if

(1) a court enters a final judgment that AS 24.45.165, enacted by sec. 9 of this

Act, prohibiting spouses of legislators and persons cohabiting with legislators from engaging in certain lobbying violates the state or federal constitution; and

(2) either the time for appeal of that judgment expires or, if an appeal is taken, the court enters a final order on appeal that AS 24.45.165, enacted by sec. 9 of this Act, violates the state or federal constitution.

(b) If secs. 8, 25, and 114 of this Act take effect under (a) of this section, they take effect on the later of (1) the date a court enters a final judgment that AS 24.45.165, enacted by sec. 9 of this Act, is unconstitutional, and (2) the expiration of any time for appeal of that judgment, or upon entry of a final order on the appeal that AS 24.45.165, enacted by sec. 9 of this Act, is unconstitutional. The attorney general shall promptly notify the lieutenant governor and the revisor of statutes of a judgment described in this section."

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur in the following places:

Page 59, lines 21 and 28

Page 60, lines 1, 3, 4, and 6

Hs- Keeping "In Session Acct."

0-LS0074\KA.16
Cramer
1/15/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 3, following line 18:

Insert a new bill section to read:

"* **Sec. 3.** AS 15.13.110(a) is amended to read:

(a) Each candidate and group shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 10 days after the election; and

(4) February 15 for expenditures made and contributions received that were not reported during the previous year, including, if applicable, all amounts expended from a **public** [LEGISLATIVE] office **expense** account established under AS 15.13.116(a)(9) and all amounts expended from a municipal office account under AS 15.13.116(a)(10), or when expenditures were not made or contributions were not received during the previous year."

Renumber the following bill sections accordingly.

Page 4, line 30:

Delete "legislative office account **or to an office**"

Insert "**public** [LEGISLATIVE] office **expense** account **or to a public office expense**"

Page 5, line 3:

Delete "legislative office"

Insert "**public** [LEGISLATIVE] office **expense**"

Page 5, line 6:

Delete "legislative office"

Insert "**public** [LEGISLATIVE] office **expense**"

Page 5, line 25:

Following "in the":

Delete "office"

Insert "public office expense"

Delete "legislative office"

Insert "public office expense"

Page 5, line 28:

Delete "legislative office"

Insert "public office expense"

Page 5, line 30:

Delete "legislative office"

Insert "public office expense"

Page 5, line 31:

Following "The":

Delete "office"

Insert "public office expense"

Delete "legislative office"

Insert "public office expense"

Page 6, line 1, following "in the":

Delete "office"

Insert "public office expense"

Page 10, line 7:

Delete "as an office allowance,"

Insert "under AS 24.10.110,"

Page 59, line 31:

Delete "legislative office"

Insert "public office expense"

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur in the following places:

Page 59, lines 21 and 28

Page 60, lines 1, 3, 4, and 6

0-LS0074\KA.20
Cramer
1/14/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 18, line 24:

Delete "in accordance with guidelines adopted by the committee"

Page 23, line 21, through page 24, line 2:

Delete all material.

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur in the following places:

Page 59, lines 21 and 28

Page 60, lines 1, 3, 4, and 6

0-LS0074\KA.18
Cramer
1/15/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 8, lines 18 - 19:

Delete "a legislative director **or another legislative employee who is subject to disclosure**"

Insert "**an upper-level employee** [A LEGISLATIVE DIRECTOR]" (190, hi5 lec)

Page 31, lines 18 - 19:

Delete "**[AND] legislative directors, public members of the committee, and certain legislative employees**"

Insert "**upper-level employees, and public members of the committee** [LEGISLATIVE DIRECTORS]"

Page 31, lines 20 - 21:

Delete "[AND A] legislative director**, public member of the committee and legislative employee who is required to disclose**"

Insert "**upper-level employee,** and a **public member of the committee** [LEGISLATIVE DIRECTOR]"

Page 31, lines 28 - 29:

Delete "**; however, a person subject to disclosure requirements is not required to report any gifts**"

Insert "**other than information about gifts**"

Page 32, lines 5 - 6:

Delete "**person subject to disclosure requirements** [LEGISLATOR OR"

Insert "legislator or **an upper-level employee** ["

Page 32, lines 20 - 21:

Delete "**person subject to disclosure requirements** [LEGISLATOR AND"

Insert "legislator and **an upper-level employee** ["

Page 32, lines 24 - 25:

Delete "**a legislative employee who is required to disclose**"

Insert "**an upper-level employee**"

Page 32, lines 30 - 31:

Delete "**person subject to disclosure requirements** [LEGISLATOR OR"

Insert "legislator or **an upper-level employee** ["

Page 33, lines 11 - 12:

Delete "**a person subject to disclosure requirements** [AN INCUMBENT LEGISLATOR"

Insert "an incumbent legislator ["

Page 33, line 17, following "AS 39.50.060(b).":

Insert "**In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that an upper-level employee has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the appropriate committee of the legislature. For the ombudsman and employees of the office of the ombudsman, the appropriate committee is the Legislative Council. For upper-level employees who are not employed by the Legislative Affairs Agency or the Legislative Budget and Audit Committee, the commission shall notify the Rules Committee of the appropriate legislative body.**"

Page 34, lines 9 - 14:

Delete all material.

Page 34, line 15:

Delete "(17)"

Insert "(15)"

Page 34, line 17:

Delete "(18)"

Insert "(16)"

Page 34, line 18:

Delete "."

Insert ";

(17) "upper-level legislative employee" or "upper-level employee" means a legislative employee who is compensated at Range 19 or above of the state salary schedule under AS 39.27.011."

Call Judy Jordan: 2646

RE Veto Bill: Governors Signature on CKs etc is full advertising!

2646 12:14 Judy Jordan
Amend Exec Act
Exclude: Am SB105
CKs
PFD CKs
Long CKs

12:15
Unemp, AFDC, etc

We'll talk to Mike H.

Ben: Too restrictive. AK Const allows a very powerful Governor!

Here are the amendments and analysis from Susie.

We can talk later...

Alaska State Legislature

Select Committee on Legislative Ethics

716 W. 4th. Suite 230
Anchorage AK
(907) 258-8172
FAX: 258-2106

Mailing Address:
P.O.Box 101468
Anchorage, AK
99510 - 1468

DATE: May 5, 1997

TO:

FROM: Susie Barnett, Staff
Select Committee on Legislative Ethics

RE: Analysis of Proposed Amendments to CSSB 105 (FIN) am
House State Affairs

Amendment KA.1: DISBURSEMENT OF CAMPAIGN ASSETS:
Sections 3 and 4 of this bill relate to transfers of unused campaign contributions to a legislative office account. The current language in the bill would allow a legislator to allocate any unused office account monies for use in a variety of ways, including paying campaign bills, charitable donations, candidate defense funds and future election accounts. By deleting (a)(1)-(8) and inserting (a)(3) or (4), unused office account monies could only be used for:

(a)(3) making donations to a political party, the state's general fund, a municipality of the state or the federal government **or**

(a)(4) making donations to organizations qualified as charitable organizations so long as the organization is not controlled by the candidate r a member of the candidates immediate family.

Amendment KA.2: PROHIBITED CONTRIBUTIONS
Section 2 of this bill prohibits a person or group from contributing to a candidate for state office while the legislature is convened in its regular session. This technical amendment deletes subsection (C)(1) as it is no longer necessary due to the change from "to a candidate for state legislature" to the broader prohibition "to a candidate for state office."

Amendment KA.3: SPOUSAL/SPOUSAL EQUIVALENT LOBBYIST

Section 8 of this bill prohibits lobbying activity for spouses and cohabitants of legislators. This amendment in total, is a contingency amendment, should the ban on spouses/equivalents of legislators be found unconstitutional. If that were to occur, the requirement for prompt and complete disclosure of the spouse's or equivalent's lobbying activities (from the original version of SB 105) would go into effect 30 days after the later of either a final judgment or the expiration of an appeal or final decision in an appeal. The disclosure requirement for legislators would be identical to the requirement placed on legislative employees and state officials in this bill.

Amendment KA.4: EXECUTIVE BRANCH: DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS.
The bill creates a new subsection (Section 80: 39.52.155) which requires state officials to disclose to supervisors and APOC, any close economic associations with those listed in Section 80. Section 67 of the bill provides a way for state officials to report a close economic association along with their annual conflict of interest report. The amendment deletes the new subsection and therefore deletes a "double reporting" requirement.

Amendment KA.7: EXECUTIVE BRANCH GIFTS
Section 77 of this bill adds legislative gift restrictions and reporting requirements to existing restrictions for state officials. There has been some confusion as to how the existing prohibitions and reporting requirements and the new restrictions and reporting requirements fit together. Existing statue sets out that **public officers** (public employees, board/commission members, state trustees) may not accept or solicit gifts intended to influence their official performance and that any gift with a value of over $50, from an entity that could be affected by the actions of the public officer, must be reported. The amendment highlights for **state officials** (defined in Section 110 to include governor, lt. governor, commissioners, deputy comms, dept. directors, commission/board members, Range 19 and above exempt/part. exempt employees) that they must comply with the existing restrictions/reporting as noted above and the new restrictions and reporting requirements as set out in this bill.

Amendment KA.10: ELECTION PERIOD LEGISLATIVE ETHICS COMPLAINTS
This amendment adds a new bill section which suspends the committee's jurisdiction on certain complaints for a period of time near an election. The amendment requires the ethics committee to return complaints received against a legislator or legislative employee* who is a candidate for state office 45 days* prior to the primary election unless the candidate/subject of the complaint notifies within a specified period of time that he/she is waiving the suspension of jurisdiction. The amendment sets out subject and complainant notification requirements

for the committee, including a notification that the complainant may refile the complaint at the end of the moratorium period.

*Under the current ethics code (AS 24.60.033), legislative employees are prohibited from running for a legislative seat but are not prohibited from running for another elective office.

*The amendment sets out that the moratorium begins *on the later of* 45 days before a primary election in which a legislator or legislative employee is a candidate for state office *or* the day on which the individual files for state office. The moratorium ends at the close of the general or special election day or on the day the candidate withdraws or, for candidates who lose the primary, on the day the primary election is certified.

Amendment KA. 11: PROHIBITIONS ON USE OF STATE RESOURCES.
This amendment adds a new subsection that prohibits legislators and legislative employees from using public resources for partisan activities unless the public purpose outweighs the partisan purpose. The amendment sets out that a mailing to members of one party is presumed to have a partisan purpose. Allows the legislator or employee to overcome that presumption with substantial evidence of the public purpose.

0-LS0074\KA.1
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 6, line 2:

Delete "(a)(1) - (8)"

Insert "(a)(3) or (4)"

0-LS0074\KA.2
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 2, lines 5 - 16:

Delete "to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, when the office is to be filled at a general election, before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the general election;

(2)"

Insert "[TO A CANDIDATE FOR GOVERNOR OR LIEUTENANT GOVERNOR OR AN INDIVIDUAL WHO FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THAT INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100 FOR GOVERNOR OR LIEUTENANT GOVERNOR, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION, BEFORE THE LATER OF THE FOLLOWING DATES:

(A) THE DATE THE INDIVIDUAL

(i) BECOMES A CANDIDATE; OR

(ii) FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THE INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100; OR

(B) JANUARY 1 OF THE YEAR OF THE GENERAL

ELECTION;

(2)]"

Page 2, line 28:

Delete "(3)"

Insert "(2) [(3)]"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 15, following line 24:

Insert a new bill section to read:

"* **Sec. 24.** AS 24.60.070(d) is amended to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the **legislator or** legislative employee is married or who is the **legislator's or** legislative employee's spousal equivalent, the **legislator or** legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The **legislator or** legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person."

Renumber the following bill sections accordingly.

Page 59, line 21:

Delete "89 - 94"

Insert "90 - 95"

Page 60, line 3:

Delete "113"

Insert "114"

Page 60, following line 3:

Insert a new bill section to read:

"* **Sec. 116.** (a) Section 24 of this Act takes effect only if

(1) a court enters a final judgment declaring that the provisions of AS 24.45.165, enacted by sec. 8 of this Act, are unconstitutional; and

(2) either the time for appeal of that judgment expires or, if an appeal is taken, the court enters a final order on appeal that the provisions of AS 24.45.165, enacted by sec. 8 of this Act, are unconstitutional.

(b) The attorney general shall notify the revisor of statutes of the entry of a final judgment described in (a) of this section.

(c) In this section and sec. 117 of this Act, "appeal" includes a petition for review or certiorari or other discretionary judicial review, but a petition for discretionary review is not considered to be "taken" unless the petition is granted.

* **Sec. 117.** If sec. 24 of this Act takes effect under sec. 116 of this Act, it takes effect 30 days after the later of (1) the date a court enters a final judgment that the provisions of AS 24.45.165, enacted by sec. 8 of this Act, are unconstitutional; and (2) the expiration of any time for appeal of that judgment, or, if an appeal is taken, the date of entry of a final order on the appeal that AS 24.45.165, enacted by sec. 8 of this Act, is unconstitutional. In this section, "appeal" has the meaning given in sec. 116(c) of this Act."

Renumber the following bill sections accordingly.

Page 60, line 4:

Delete "113, and 114"

Insert "114, and 115"

Page 60, line 6:

Delete "and 5 - 112"

Insert "5 - 23, and 25 - 113"

0-LS0074\KA.4
Cramer
4/25/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 47, line 13:

Delete ", 39.52.155,"

Page 48, line 27, through page 50, line 2:

Delete all material.

Renumber the following bill sections accordingly.

Page 59, line 21:

Delete "89 - 94"

Insert "88 - 93"

Page 60, line 3:

Delete "113"

Insert "112"

Page 60, line 4:

Delete "113, and 114"

Insert "112, and 113"

Page 60, line 6:

Delete "5 - 112"

Insert "5 - 111"

0-LS0074\KA.7
Cramer
4/24/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 45, line 8:

Delete "In addition to the requirements of (a) and (b) of this section"

Insert "For a gift that is not prohibited by (a) of this section and that is not required to be reported under (b) of this section"

0-LS0074\KA.10
Cramer
4/30/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

DRAFT

Page 25, line 17, following ".":

Insert "**The committee shall respond to a complaint concerning the conduct of a candidate for election to state office received during the campaign period in accordance with (o) of this section.**"

Page 28, following line 26:

Insert a new bill section to read:

"* **Sec. 49.** AS 24.60.170 is amended by adding a new subsection to read:

(o) The committee shall return a complaint concerning the conduct of a candidate for state office received during a campaign period to the complainant unless the subject of the complaint permits the committee to assume jurisdiction under this subsection. If the committee receives a complaint concerning the conduct of a candidate during the campaign period, the committee shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the committee's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the committee mails or otherwise sends notice of the complaint to the candidate, notify the committee that the candidate chooses to have the committee proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the committee that the candidate is not waiving the suspension of committee jurisdiction, the committee shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period. A campaign period under this subsection begins on the later of 45 days before a primary election in which the legislator or legislative employee is a candidate for

state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified."

Renumber the following bill sections accordingly.

DRAFT

Page 59, line 21:

Delete "89 - 94"

Insert "90 - 95"

Page 60, line 3:

Delete "113"

Insert "114"

Page 60, line 4:

Delete "113, and 114"

Insert "114, and 115"

Page 60, line 6:

Delete "5 - 112"

Insert "5 - 113"

DRAFT

0-LS0074\KA.11
Cramer
4/30/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

DRAFT

Page 12, line 19:

Delete "a new subsection"

Insert "new subsections"

Page 12, following line 27:

Insert a new subsection to read:

"(i) A legislator or legislative employee may only use public funds, facilities, equipment, services, or other assets or resources in a matter that involves partisan politics if the public purpose of the activity outweighs the partisan political purpose. A group mailing addressed to members of only one political party is presumed to have a partisan political purpose. The legislator or legislative employee may overcome that presumption with substantial evidence that the public purpose of the mailing outweighs the partisan political purpose."

DRAFT

0-LS0074\KA.71
Cramer
3/11/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 48, following line 15:

Insert a new subsection to read:

"(b) The governor or the lieutenant governor may not hold a campaign fundraising event in a place other than the capital city to which the governor or lieutenant governor traveled at state expense within the 48 hours immediately preceding the event."

or following

Reletter the following subsection accordingly.

Will go into Legis. section too.

0-LS0074\KA.50
Cramer
2/20/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 34, following line 18:

Insert a new bill section to read:

"* **Sec. 62.** AS 39.25.060(d) is amended to read:

(d) A member of the board **shall** [MAY] receive

(1) compensation of $150 for each day while attending meetings of the board relating to the board's duties under AS 39.52; and

(2) a per diem allowance and transportation expenses incurred in carrying out the member's duties **authorized for boards and commissions under AS 39.20.180**."

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 59, line 21

Page 59, line 28

Page 60, line 1

Page 60, line 3

Page 60, line 4

Page 60, line 6

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 34, line 19, through page 59, line 19:

Delete all material and insert:

"* **Sec. 62.** AS 39.25.070 is amended to read:

Sec. 39.25.070. Powers and duties of personnel board. In addition to the other duties imposed by this chapter, the personnel board shall

(1) approve or disapprove amendments to the personnel rules in accordance with AS 39.25.140;

(2) consider and act upon recommendations for the extension of the partially exempt service and the classified service as provided in AS 39.25.130;

(3) hear and determine appeals by employees in the classified service as provided in AS 39.25.170;

(4) establish its own rules of procedure; two members constitute a quorum for the transaction of business and two affirmative votes are required for final action on matters acted upon by the board;

(5) elect a **chair** [CHAIRMAN] from its membership;

(6) have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to a hearing authorized by this chapter;

(7) employ staff members, who shall be in the classified service;

(8) **carry out its powers and duties under AS 39.52** [RETAIN INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c);

(9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS OF, HEARING OFFICERS IN ACCORDANCE WITH AS 39.52.350(c), 39.52.360, AND 39.52.370;

(10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS

REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 - 39.52.190; AND

(11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410, 39.52.440, AND 39.52.450].

* **Sec. 63.** AS 39.25.160(e) is amended to read:

(e) An employee in the classified, [OR] partially exempt, **or exempt** service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign any position held in the state service. The employee's position becomes vacant on the date the employee files a declaration of candidacy for state or national elective office. **This subsection does not apply to a justice or judge who is seeking retention, to the governor, to the lieutenant governor, to a member of the legislature, or to an employee seeking election as a delegate to a constitutional convention.**

* **Sec. 64.** AS 39.25.160 is amended by adding a new subsection to read:

(j) A state employee, whether in the classified, partially exempt, or exempt service, may not campaign on behalf of a political candidate on government time. This subsection does not prohibit the employees of the division of elections from carrying out duties related to elections or the members and employees of the commission on judicial conduct from carrying out duties relating to the evaluation of justices and judges.

* **Sec. 65.** AS 39.50.020 is amended to read:

Sec. 39.50.020. Report of financial and business interests. (a) A **public official as defined in AS 39.50.200 other than the governor or the lieutenant governor** [JUDICIAL OFFICER, COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A MUNICIPAL OFFICER] shall file a statement giving income sources and business interests, under oath and on penalty of perjury, within 30 days after taking office as a public official. Candidates for state

elective office other than a candidate who is subject to AS 24.60 shall file **the** [SUCH A] statement with the director of elections at the time of filing a declaration of candidacy or a nominating petition [,] or [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for elective municipal office shall file **the** [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that a previously accepted filing fee be returned and the candidate's name removed from the filing records. A statement shall also be filed by public officials no later than April 15 or 15 days after the person files a federal income tax return in each following year, whichever comes first. Persons who are members of boards or commissions not named in AS 39.50.200(b) are not required to file financial statements.

(b) **A public official other than an elected or appointed municipal officer** [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission. Candidates for the office of governor and lieutenant governor and, if the candidate is not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* **Sec. 66.** AS 39.50.030(a) is amended to read:

(a) Each statement **must** [SHALL] be an accurate representation of the financial affairs of the public official or candidate and **must** [SHALL] contain the same information for each member of the person's family, as specified in (b) **and (d)** of this section, to the extent that it is ascertainable by the public official or candidate.

[AN ASSET OR LIABILITY UNDER $500, HOUSEHOLD GOODS, AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

* **Sec. 67.** AS 39.50.030(b) is amended to read:

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

(1) the source of all income over **$1,000** [$100] during the preceding calendar year, including taxable and nontaxable capital gains, received by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person**, except that a source of income that is a gift must be included if the value of the gift exceeds $250**;

(2) the identity, by name and address, of each business in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned in any business during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(4) the identity and nature of each interest in real property, including an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(5) the identity of each trust or other fiduciary relation in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person held a beneficial interest **exceeding $1,000** during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee **of more than $1,000** made to the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person, the person's spouse or dependent child, or a nondependent child of the person who lives with that person owed **more than $1,000; this paragraph requires disclosure of a loan, loan**

guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than $1,000 at any time during the preceding calendar year [$500 OR MORE];

(7) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, **a partnership or professional corporation of which the person is a member** [THE PERSON'S MOTHER OR FATHER], or a corporation in which the person or the person's spouse or children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar year by the person, the person's **spouse or** dependent child, a nondependent child of the person who is living with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse or children, or a combination of them, holds a controlling interest.

* **Sec. 68.** AS 39.50.030 is amended by adding new subsections to read:

(d) In addition to the requirements of (b) of this section, each statement filed by an upper level public officer under this chapter must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed so that a reader can ascertain the nature of the association. An upper level public officer shall disclose a close economic association with

(1) a supervisor who is not a public officer who has responsibility or authority either directly or indirectly over the person's employment, including preparing or reviewing performance evaluations, or granting or approving pay raises or promotions;

(2) a legislator;

(3) a public official who is not an appointed or elected municipal officer; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If an upper level public officer forms a close economic association after the date on which the public officer files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the public officer's designated supervisor within 60 days after the formation of the association.

(f) In this section,

(1) "close economic association" means a financial relationship that exists between an upper level public officer and some other person or entity, including a relationship where the public officer serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, business, or corporation;

(2) "designated supervisor" has the meaning given in AS 39.52.960;

(3) "public officer" has the meaning given in AS 39.52.960.

*** Sec. 69.** AS 39.50.070 is amended to read:

Sec. 39.50.070. Failure to report by <u>certain state employees</u> [DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS]. A person hired or appointed as the head or deputy head of, or director of a division within, a department in the executive branch **<u>or an upper level public officer</u>** who refuses or fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature for confirmation, until the person complies. The person may not be confirmed, hired, or appointed, and the person forfeits and may not be paid any salary, per diem, or travel expenses, until the person complies. If, after installation as the head or deputy head of, or director of a division within, a department, **<u>or, for upper level public officers, after beginning employment in the position subject to this chapter,</u>** the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date of the report.

*** Sec. 70.** AS 39.50.080 is amended to read:

Sec. 39.50.080. Failure to report by a commission or board <u>chair</u>

[CHAIRMAN] or member. A person hired or appointed as a commissioner, **chair,** [CHAIRMAN] or member of a state commission or board specified in AS 39.50.200(b), **including the executive director of the Alaska Tourism Marketing Council,** who fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature until the person complies. The person may not be confirmed, and the person forfeits and may not be paid any salary, per diem or travel expenses, until the person complies. If, after being seated as commissioner, **chair,** [CHAIRMAN] or member of **the** [SUCH A] commission or board the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date.

*** Sec. 71.** AS 39.50.200(a)(8) is amended to read:

(8) "public official" means a judicial officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of [, OR DIRECTOR OF A DIVISION,] a department in the executive branch **or as the director of a division in a department in the executive branch,** [AN ASSISTANT TO THE GOVERNOR,] chair or member of a state commission or board, [STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE,] the executive director of the Alaska Tourism Marketing Council, **an upper level public officer,** and each appointed or elected municipal officer;

*** Sec. 72.** AS 39.50.200(a) is amended by adding a new paragraph to read:

(10) "upper level public officer" has the meaning given in AS 39.52.960 but does not include a state officer or employee who is otherwise included in the definition of "public official" under this section.

*** Sec. 73.** AS 39.52.010(a) is amended to read:

(a) It is declared **that**

(1) [THAT] high moral and ethical standards among public officers in the executive branch are essential **to assure the trust, respect, and confidence of the people of this state:** [TO THE CONDUCT OF FREE GOVERNMENT; AND]

(2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics for the guidance of public officers will

(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;

(B) [, WILL] improve standards of public service; and

(C) [, AND WILL] promote and strengthen the faith and confidence of the people of this state in their public officers;

(3) [. IT IS FURTHER DECLARED THAT] holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;

(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest;

(5) in order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered fairly without bias or favoritism;

(6) no code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

(7) compliance with a code of ethics is an individual responsibility; thus all who serve the state have a solemn responsibility to avoid improper conduct and prevent improper behavior by colleagues and subordinates.

*** Sec. 74.** AS 39.52.110(c) is amended to read:

(c) **Designated** [THE ATTORNEY GENERAL, DESIGNATED] supervisors, hearing officers, and the personnel board must be guided by this section when issuing opinions and reaching decisions.

*** Sec. 75.** AS 39.52.120(b) is amended to read:

(b) A public officer may not

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

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate **or require another public officer to perform services for the private benefit of the public officer at any time;**

(6) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for partisan political purposes; this paragraph does not prohibit use of the governor's house for meetings to discuss political strategy and does not prohibit use of the communications equipment in the governor's house so long as there is no special charge to the state for the use.

*** Sec. 76.** AS 39.52.120 is amended by adding new subsections to read:

(d) Unless approved by the personnel board, during a campaign period for an election in which the public officer is a candidate, a public officer may not use or permit another to use state funds to print or distribute a political mass mailing to individuals eligible to vote for the candidate. This subsection does not apply to the election pamphlet under AS 15.58. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or the general or special election;

(2) a mass mailing is considered to be political if it is about the

(A) public officer who is a candidate for election to a federal, state, or municipal elective office or to the board of a telephone or electric cooperative;

(B) another person who is a candidate for election to a federal, state, or municipal elective office or to the board of a telephone or electric cooperative.

(e) In this section, when determining whether a public officer is considered to be performing a task on government time, the personnel board shall consider the public officer's work schedule as set by the public officer's immediate supervisor, if any. A public officer other than the governor and lieutenant governor who engages in political campaign activities other than incidental campaign activities as described in this subsection during the work day shall take leave for the period of campaigning. The performance of regular governmental duties that include incidental handling of campaign-related items or inquiries, including receiving and opening mail and answering the telephone, is not considered performance of political campaign activities for purposes of this subsection so long as the political campaign-related activities are kept to a minimum.

* **Sec. 77.** AS 39.52.130(b) is amended to read:

(b) Notice of the receipt by a public officer of a gift with a value in excess of **$150** [$50], including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt if the public officer may take or withhold official action that affects the giver. **An upper level public officer shall provide notice of the receipt of a gift with a value in excess of $150**

(1) regardless of whether the upper level public officer may take or withhold official action that affects the giver unless the gift is from a family member; or

(2) if the gift is unconnected to the public officer's governmental status and the public officer cannot take or withhold official action that affects the giver.

* **Sec. 78.** AS 39.52.130(c) is amended to read:

(c) In accordance with AS 39.52.240, a designated supervisor **or an upper level public officer** may request guidance from the **personnel board** [ATTORNEY GENERAL] concerning whether acceptance of a particular gift is prohibited.

* **Sec. 79.** AS 39.52.130 is amended by adding new subsections to read:

(e) A public officer who, on behalf of the state, accepts a gift from another government or from an official of another government shall, within 60 days after its receipt, deliver it to the Office of the Governor. The Office of the Governor shall determine the appropriate disposition of the gift. In this subsection, "another government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.

(f) A public officer who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the public office held by the public officer shall report the receipt of the gift by the family member to the public officer's designated supervisor if the gift would have to be reported under this section if it had been received by the public officer or if receipt of the gift by a public officer would be prohibited under this section.

(g) In this section, unless the personnel board determines that a different method of determining value is more appropriate in the circumstances, the value of a gift shall be determined by using the fair market value of the gift to the extent that the fair market value can be determined.

(h) In this section, "family member" means

(1) the spouse of the person;

(2) another person cohabiting with the person in a conjugal relationship that is not a legal marriage;

(3) a child, including a stepchild and an adoptive child, of the person;

(4) a parent, sibling, grandparent, aunt, or uncle of the person; and

(5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse.

* **Sec. 80.** AS 39.52 is amended by adding new sections to read:

Sec. 39.52.132. Restrictions on fund raising. (a) The governor, lieutenant governor, or a commissioner may not

(1) on a day when either house of the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a candidate for state office; however, the governor or the lieutenant governor may solicit or accept a contribution, promise, or pledge for a campaign for state office that occurs during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office;

(2) accept money from an event held on a day when either house of the legislature is in regular or special session if a substantial purpose of the event is to raise money on behalf of the governor or lieutenant governor for a campaign for state office; however, this paragraph does not prohibit the governor or lieutenant governor from accepting money from an event held during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office; or

(3) expend money in a campaign for state office that was raised by or on behalf of the governor or lieutenant governor under a declaration of candidacy or a general letter of intent to become a candidate for public office if the money was raised on a day when either house of the legislature was in a legislative session; however, this paragraph does not apply to money raised during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office.

(b) In this section,

(1) "commissioner" means the head of a principal executive department in the state government;

(2) "contribution" has the meaning given in AS 15.13.400.

*** Sec. 81.** AS 39.52.170 is amended by adding a new subsection to read:

(c) The head of a principal executive department of the state may not engage in or accept employment for compensation outside the agency that the executive head serves.

*** Sec. 82.** AS 39.52.180(b) is amended to read:

(b) **Except as provided in (d) of this section, this** [THIS] section does not prohibit an agency from contracting with a former public officer to act on a matter on behalf of the state.

*** Sec. 83.** AS 39.52.180(c) is amended to read:

(c) **Except as provided in (d) of this section, and, in the case of an upper level public officer, only after one year has elapsed from the date the public officer left state service, the** [THE] head of an agency may waive application of (a) of this section after determining that representation by a former public officer is not adverse to the public interest. The waiver must be in writing and a copy of the

waiver must be provided to the attorney general for approval or disapproval.

* **Sec. 84.** AS 39.52.180 is amended by adding a new subsection to read:

(d) An agency may not enter into a contract with an upper level public officer who has left state service and the head of an agency may not waive application of (a) of this section if the purpose of the proposed contract or representation includes lobbying before a state agency or the state legislature.

* **Sec. 85.** AS 39.52.210(c) is amended to read:

(c) **An upper level public officer who is a public employee or a** [A] designated supervisor may request guidance from the **personnel board** [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a public employee is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 86.** AS 39.52.220(b) is amended to read:

(b) The **member of the board or commission, the** designated supervisor, or the board or commission may request guidance from the **personnel board** [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 87.** AS 39.52.240(a) is amended to read:

(a) Upon the written request of **an upper level public officer,** a designated supervisor, or a board or commission, the **personnel board** [ATTORNEY GENERAL] shall issue opinions interpreting this chapter. The requester must supply any additional information requested by the **personnel board** [ATTORNEY GENERAL] in order to issue the opinion. Within 60 days after receiving a complete request, the **personnel board** [ATTORNEY GENERAL] shall issue an advisory opinion on the question.

* **Sec. 88.** AS 39.52.240(b) is amended to read:

(b) The **personnel board** [ATTORNEY GENERAL] may offer oral advice if delay would cause substantial inconvenience or detriment to the requesting party.

* **Sec. 89.** AS 39.52.240(c) is amended to read:

(c) **In the case of a request for advice from a designated supervisor or a board or commission, the** [THE] designated supervisor or **the** [A] board or

commission shall make a written determination based on the advice of the **personnel board** [ATTORNEY GENERAL]. If the advice [OF THE ATTORNEY GENERAL] provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 - 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

* **Sec. 90.** AS 39.52.240(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may reconsider, revoke, or modify an advisory opinion at any time, including upon a showing that material facts were omitted or misstated in the request for the opinion.

* **Sec. 91.** AS 39.52.240(h) is amended to read:

(h) The **personnel board** [ATTORNEY GENERAL] shall publish in the Alaska Administrative Journal, with sufficient deletions to prevent disclosure of the persons whose identities are confidential under (g) of this section, the advisory opinions issued under this section that the **personnel board** [ATTORNEY GENERAL] determines to be of major import because of their general applicability to executive branch officers.

* **Sec. 92.** AS 39.52.250 is amended to read:

Sec. 39.52.250. Advice to former public officers. (a) A former public officer may request, in writing, an opinion from the **personnel board** [ATTORNEY GENERAL] interpreting this chapter. The **personnel board** [ATTORNEY GENERAL] shall give advice in accordance with AS 39.52.240(a) or (b) and publish opinions in accordance with AS 39.52.240(h).

(b) A former public officer is not liable under this chapter for any action carried out in accordance with the advice of the **personnel board** [ATTORNEY GENERAL] issued under this section, if the public officer fully disclosed all relevant facts reasonably necessary to the issuance of the advice.

* **Sec. 93.** AS 39.52.260 is amended to read:

Sec. 39.52.260. Designated supervisor's report and personnel board [ATTORNEY GENERAL] review. (a) A designated supervisor shall quarterly submit a report to the **personnel board that** [ATTORNEY GENERAL WHICH]

states the facts, circumstances, and disposition of any disclosure made under AS 39.52.210 - 39.52.240. **In the case of a determination under AS 39.52.210 concerning an upper level public officer or a determination under AS 39.52.220 concerning a member of a board or commission, the designated supervisor shall submit a copy of the supervisor's determination to the personnel board within five working days after having made the determination.**

(b) The **personnel board** [ATTORNEY GENERAL] shall review determinations reported under this section. The **personnel board** [ATTORNEY GENERAL] may request additional information from a supervisor concerning a specific disclosure and its disposition.

(c) The report prepared under this section is confidential and not available for public inspection unless formal proceedings under AS 39.52.350 are initiated based on the report. If formal proceedings are initiated, the relevant portions of the report are public documents open to inspection. The **personnel board** [ATTORNEY GENERAL] shall, however, make available to the public a summary of the reports received under this section, with sufficient deletions to prevent disclosure of a person's identity.

*** Sec. 94.** AS 39.52.260 is amended by adding a new subsection to read:

(d) A designated supervisor shall submit to the personnel board a copy of each report that the supervisor receives from an upper level public officer that was made under the following:

(1) receipt of a gift by a family member under AS 39.52.130(f);

(2) a personal or financial interest in a state grant, contract, lease, or loan under AS 39.52.150(d);

(3) outside services or employment under AS 39.52.170(b);

(4) declaration of potential violations by members of boards or commissions under AS 39.52.220(a);

(5) reporting of potential violations under AS 39.52.230.

*** Sec. 95.** AS 39.52 is amended by adding a new section to article 3 to read:

Sec. 39.52.270. Disclosure statements. (a) A public officer required to file a disclosure statement under this chapter shall meet the requirements of this subsection in making the disclosure. When the public officer files a disclosure

statement under this chapter, the public officer signing the disclosure shall certify that, to the best of the public officer's knowledge, the statement is true, correct, and complete. The disclosure must state that, in addition to any other penalty or punishment that may apply, a person who submits a false statement that the person does not believe to be true is punishable under AS 11.56.200 - 11.56.240.

(b) A designated supervisor who receives a disclosure statement under AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that there is a possibility that the activity or situation reported in a disclosure statement filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240. Failure of the designated supervisor to proceed under AS 39.52.210 - 39.52.240 does not relieve the public officer of the public officer's obligations under those statutes.

(c) In this section, "disclosure statement" means a report or written notice filed under AS 39.52.110 - 39.52.220.

*** Sec. 96.** AS 39.52.310(a) is amended to read:

(a) The **personnel board** [ATTORNEY GENERAL] may initiate a complaint, or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or 39.52.260.

*** Sec. 97.** AS 39.52.310(b) is amended to read:

(b) A person may file a complaint with the **personnel board** [ATTORNEY GENERAL] regarding the conduct of a current or former public officer. A complaint must be in writing, be signed under oath, and contain a clear statement of the details of the alleged violation.

*** Sec. 98.** AS 39.52.310(c) is amended to read:

(c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the governor, lieutenant governor, or the attorney general, the [MATTER SHALL BE REFERRED TO THE PERSONNEL BOARD. THE] personnel board shall retain independent counsel who shall act in the place of the attorney general under **AS 39.52.350** [(d) - (i) OF THIS SECTION, AS 39.52.320 - 39.52.350,] and 39.52.360(c) and (d).

*** Sec. 99.** AS 39.52.310(d) is amended to read:

(d) The **personnel board** [ATTORNEY GENERAL] shall review each

complaint filed, to determine whether it is properly completed and contains allegations which, if true, would constitute conduct in violation of this chapter. The **personnel board** [ATTORNEY GENERAL] may require the complainant to provide additional information before accepting the complaint. If the **personnel board** [ATTORNEY GENERAL] determines that the allegations in the complaint do not warrant an investigation, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint with notice to the complainant and the subject of the complaint.

* **Sec. 100.** AS 39.52.310(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may refer a complaint to the subject . designated supervisor for resolution under AS 39.52.210 or 39.52.220.

* **Sec. 101.** AS 39.52.310(f) is amended to read:

(f) If the **personnel board** [ATTORNEY GENERAL] accepts a complaint for investigation, the **personnel board** [ATTORNEY GENERAL] shall serve a copy of the complaint upon the subject of the complaint, for a response. The **personnel board** [ATTORNEY GENERAL] may require the subject to provide, within 20 days after service, full and fair disclosure in writing of all facts and circumstances pertaining to the alleged violation. Misrepresentation of a material fact in a response to the **personnel board** [ATTORNEY GENERAL] is a violation of this chapter. Failure to answer within the prescribed time, or within any additional time period that may be granted in writing by the **personnel board** [ATTORNEY GENERAL], may be considered an admission of the allegations in the complaint.

* **Sec. 102.** AS 39.52.310(g) is amended to read:

(g) If a complaint is accepted under (f) of this section, the **personnel board** [ATTORNEY GENERAL] shall investigate to determine whether a violation of this chapter has occurred. At any stage of an investigation or review, the **personnel board** [ATTORNEY GENERAL] may issue a subpoena under AS 39.52.380.

* **Sec. 103.** AS 39.52.320 is amended to read:

Sec. 39.52.320. Dismissal before formal proceedings. If, after investigation, it appears that there is no probable cause to believe that a violation of this chapter has occurred, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint and [PREPARE AND FILE A CONFIDENTIAL SUMMARY WITH THE PERSONNEL BOARD. THE ATTORNEY GENERAL] shall communicate

disposition of the matter promptly to the complainant and to the subject of the complaint.

* **Sec. 104.** AS 39.52.330 is amended to read:

Sec. 39.52.330. Corrective or preventive action. After determining that the conduct of the subject of a complaint does not warrant a hearing under AS 39.52.360, the **personnel board** [ATTORNEY GENERAL] shall recommend action to correct or prevent a violation of this chapter. The **personnel board** [ATTORNEY GENERAL] shall communicate the recommended action to the complainant and the subject of the complaint. The subject of the complaint shall comply with the **personnel board's** [ATTORNEY GENERAL'S] recommendation.

* **Sec. 105.** AS 39.52.340(a) is amended to read:

(a) Before the initiation of formal proceedings under AS 39.52.350, **the complaint and all other documents and** information regarding an investigation conducted under this chapter [,] or obtained by the **personnel board** [ATTORNEY GENERAL] during the investigation **are** [, IS] confidential **and not subject to inspection by the public. All meetings of the personnel board concerning the complaint and investigation before the determination of probable cause are closed to the public. If, in the course of an investigation or probable cause determination, the personnel board finds evidence of probable criminal activity, the personnel board shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the personnel board finds evidence of a probable violation of AS 15.13, the personnel board shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission**. The **personnel board** [ATTORNEY GENERAL AND ALL PERSONS CONTACTED DURING THE COURSE OF AN INVESTIGATION] shall maintain confidentiality regarding the existence of the investigation. [A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS A MISDEMEANOR.]

* **Sec. 106.** AS 39.52.340(c) is amended to read:

(c) The subject of the complaint may, in writing, waive the confidentiality protection of this section. **However, the subject of the complaint may not waive the confidentiality duty the personnel board owes to others and may not require**

the personnel board to deliberate in public.

* **Sec. 107.** AS 39.52.350 is amended to read:

Sec. 39.52.350. Probable cause for hearing. (a) If the **personnel board** [ATTORNEY GENERAL] determines that there is probable cause to believe that a knowing violation of this chapter or a violation that cannot be corrected under AS 39.52.330 has occurred, or that the subject of a complaint failed to comply with a recommendation for corrective or preventive action, the **personnel board** [ATTORNEY GENERAL] shall initiate formal proceedings by **requesting the attorney general to serve** [SERVING] a copy of an accusation upon the subject of the accusation. The accusation shall specifically set out the alleged violation. After service, the accusation is a public document open to inspection. Except as provided in AS 39.52.370(c), all subsequent proceedings are open to the public.

(b) The subject of the accusation shall file an answer with the **personnel board and the** attorney general within 20 days after service of the accusation, or at a later time specified by the **personnel board. The answer must be signed under oath** [ATTORNEY GENERAL]. If the subject of the accusation fails to timely answer, the allegations are considered admitted.

(c) If the subject of the accusation denies that a violation of this chapter has occurred, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board **may determine to conduct a hearing or to** [, WHICH SHALL] appoint a hearing officer to conduct a hearing.

(d) If the subject of the accusation admits a violation of this chapter, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board **shall** [TO] impose penalties under AS 39.52.410, 39.52.440, and 39.52.450, as appropriate.

* **Sec. 108.** AS 39.52.360 is amended by adding a new subsection to read:

(i) If the personnel board has determined that it will conduct the hearing itself under AS 39.52.350(c), the powers and duties given to a hearing officer in this section shall be exercised by the personnel board, and references in this section to the hearing officer shall be considered to refer to the personnel board.

* **Sec. 109.** AS 39.52.370(a) is amended to read:

(a) Within 10 days after receipt of the [HEARING OFFICER'S] report **of the**

hearing, either party may protest the [OFFICER'S] findings of fact, conclusions of law, and recommendation [,] and, if a protest is filed, shall serve a copy on the other party. Oral argument before the personnel board must be provided only if requested by either party. The board chair shall set the deadline for submission of requests for oral argument [,] and set the dates for submission of briefs and oral argument before the board, if requested.

* **Sec. 110.** AS 39.52.920 is amended to read:

Sec. 39.52.920. Agency policies. Subject to the review and approval of the **personnel board** [ATTORNEY GENERAL], an agency may adopt a written policy that, in addition to the requirements of this chapter, limits the extent to which a public officer in the agency or an administrative unit of the agency may

(1) acquire a personal interest in an organization or a financial interest in a business or undertaking that may benefit from official action taken or withheld by the agency or unit;

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

(3) accept a gift.

* **Sec. 111.** AS 39.52.950 is amended to read:

Sec. 39.52.950. Regulations. The attorney general may adopt regulations under **AS 44.62 (** [THE] Administrative Procedure Act**)** necessary to interpret and implement **the provisions concerning complaints under** this chapter. **The personnel board may adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to interpret and implement the other provisions of this chapter.**

* **Sec. 112.** AS 39.52.960(11) is amended to read:

(11) "immediate family member" means

(A) the spouse of the person;

(B) another person cohabiting with the person in a conjugal relationship that is not a legal marriage; or

(C) a parent, child including a stepchild and an adoptive child, and sibling of a person if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial

financial interest with the person [A PUBLIC OFFICER'S SPOUSE, A RELATION BY BLOOD WITHIN AND INCLUDING THE SECOND DEGREE OF KINDRED, AND A REGULAR MEMBER OF THE OFFICER'S HOUSEHOLD];

* **Sec. 113.** AS 39.52.960 is amended by adding a new paragraph to read:

(23) "upper level public officer" means the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch or as the director of a division in a department in the executive branch, the chair or member of a state commission or board, as defined in AS 39.50.200(b), the executive director of the Alaska Tourism Marketing Council, an assistant to the governor or the lieutenant governor, a state investment officer, the state comptroller in the Department of Revenue, and a state employee who is not otherwise listed in this definition who is employed by an agency in the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 19A or above on the state salary schedule under AS 39.27.011 or at more than $4,200 per month; however, "upper level public officer" does not include a member of a collective bargaining unit composed of state employees.

* **Sec. 114.** AS 44.62.175(a) is amended to read:

(a) The lieutenant governor shall publish or contract for the publication of the Alaska Administrative Journal. The journal shall be published weekly. The journal must include

(1) notices of proposed actions given under AS 44.62.190(a);

(2) notices of state agency meetings required under AS 44.62.310(e), even if the meeting has been held;

(3) notices of solicitations to bid issued under AS 36.30.130;

(4) notices of state agency requests for proposals issued under AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; AS 38.05.120; and AS 43.40.010;

(5) executive orders and administrative orders issued by the governor;

(6) written delegations of authority made by the governor or the head of a principal department under AS 44.17.010;

(7) the text or a summary of the text of a regulation or order of repeal

of a regulation for which notice is given under AS 44.62.190(a), including an emergency regulation or repeal whether or not it has taken effect;

(8) a summary of the text of recently issued formal opinions and memoranda of advice of the attorney general;

(9) a list of vacancies on boards, commissions, and other bodies whose members are appointed by the governor; and

(10) in accordance with AS 39.52.240(h), advisory opinions of the **personnel board** [ATTORNEY GENERAL]."

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 59, line 21
Page 59, line 28
Page 60, line 1
Page 60, line 3
Page 60, line 4
Page 60, line 6

0-LS0071\KA.57
Cramer -
2/23/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 8, line 29:

Delete "nongovernmental purpose"

Insert "**nonlegislative** [NONGOVERNMENTAL] purpose**, for involvement in or support of or opposition to partisan political activity,**"



Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

Rules Committee

TO: Representative James, Chairman
House State Affairs Committee

FROM: Benjamin Brown, Legislative Aide to Senator Kelly

DATE: 5 February 1998

IN RE: analysis of proposed amendments to *CSSB 105 (Fin) am*

Amendment KA.36: *PUBLIC OFFICE EXPENSE TERM (POET) ACCOUNT RESERVES*

Sections 3 and 4 of this bill create a new option for disposal of unused campaign assets, called a legislative office account reserve in the current version of the bill. Campaign finance reform in 1996 made legislative office accounts an option for unused campaign assets. Last year, the Senate Finance Committee added the option of office account reserves to the list. Amendment KA.36 renames these legislative office account as Pubilc Office Expense Term (POET) accounts and POET account reserve. This will avoid confusion with the $6000 legisative office allowance managed by the Legislative Affairs Agency. Expenditures from POET accounts will be reportable to APOC under 15.13.110(a)(4).

The bill's current language allows legislators at the end of their terms to allocate the unexpended balance in a POET account reserve in the same variety of ways as is allowed when unused campaign assets are disposed of in the 90 days after an election, including paying campaign bills, making charitable donations, candidate defense funds and future election accounts. Amendment KA.36 prohibits money in a POET account reserve at the end of a legislator's term from being used for election-related purposes, but lets the legislator donate funds to a political party, the state's general fund, a municipality, the federal government, or to qualified charitable organizations not controlled by the candidate or a member of the candidate's immediate family. The amendment also allows repayment of contributions to contributors.

Amendment KA.2: *PROHIBITED CONTRIBUTIONS*

Section 2 of this bill prohibits a person or group from contributing to a candidate for state office while the legislature is convened in its regular session. This technical amendment deletes subsection (C)(1) as it is no longer necessary due to the change the bills makes from banning donations, "to a candidate for state legislature," to the broader prohibition against donating, "to a candidate for state office."

Amendment KA.3: *SPOUSAL/SPOUSAL EQUIVALENT LOBBYIST*

Section 8 of this bill prohibits lobbying activity by legislators' spouses and cohabitants. Section 22 of the bill requires legislative employees to disclose information on their spouse or spousal equivalent's lobbying clients and how much they were paid. Amendment KA.3 adds contingency language to the bill so that if the ban on spousal lobbying for legislators is found unconstitutional, there won't be a hole in the law. If the ban is struck down, a disclosure requirement for legislative spousal lobbying will go into effect 30 days after the later of either a final judgment, or the expiration of an appeal or final decision in an appeal. Disclosure requirements for legislators would then be identical to those the bill prescribes for legislative and executive branch employees.

Amendment KA.4: *STREAMLINING DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS IN THE EXECUTIVE BRANCH*

Section 80 of the bill creates a new section in the executive branch ethics act (39.52.155) which requires state officials to disclose to supervisors and APOC, the same close economic associations which legislators must currently disclose. Section 67 of the bill provides a way for state officials to report close economic associations along with their annual conflict of interest reports. Amendment KA.4 deletes Section 80 from the bill, eliminating a "double reporting" requirement. It also makes necessary changes in numerical references.

Amendment KA.10: *LEGISLATIVE ETHICS COMPLAINTS DURING ELECTION PERIODS*

This amendment adds a new bill section which suspends the Ethics Committee's jurisdiction on certain compiaints for a period of time near an election. The amendment requires the committee to return complaints received against a legislator or legislative employee* who is a candidate for state office 45 days* prior to the primary election unless the candidate/subject of the complaint notifies within a specified period of time that he/she is waiving the suspension of jurisdiction. The amendment sets out subject and complainant notification

requirements for the committee, including a notification that the complainant may refile the complaint at the end of the moratorium period.

*Under the current ethics code (AS 24.60.033), legislative employees are prohibited from running for a legislative seat but are not prohibited from running for another elective office.

*The amendment sets out that the moratorium begins *on the later of* 45 days before a primary election in which a legislator or legislative employee is a candidate for state office *or* the day on which the individual files for state office. The moratorium ends at the close of the general or special election day or on the day the candidate withdraws or, for candidates who lose the primary, on the day the primary election is certified.

0-LS0074\KA.36
Cramer
2/4/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 3, following line 18:

Insert a new bill section to read:

"* **Sec. 3.** AS 15.13.110(a) is amended to read:

(a) Each candidate and group shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it shall cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it shall cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on December 31 of the prior year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 10 days after the election; and

(4) February 15 for expenditures made and contributions received that were not reported during the previous year, including, if applicable, all amounts expended from a **public** [LEGISLATIVE] office **expense term** account established under AS 15.13.116(a)(9) and all amounts expended from a municipal office account under AS 15.13.116(a)(10), or when expenditures were not made or contributions were not received during the previous year."

Renumber the following bill sections accordingly.

Page 4, line 30:

Delete "legislative office account **or to an office**"

Insert "**public** [LEGISLATIVE] office **expense term** account **or to a public office expense term**"

Page 5, line 3:

Delete "legislative office"

Insert "**public** [LEGISLATIVE] office **expense term**"

Page 5, line 6:

Delete "legislative office"

Insert "**public** [LEGISLATIVE] office **expense term**"

Page 5, line 25:

Following "in the":

Delete "office"

Insert "public office expense term"

Delete "legislative office"

Insert "public office expense term"

Page 5, line 28:

Delete "legislative office"

Insert "public office expense term"

Page 5, line 30:

Delete "legislative office"

Insert "public office expense term"

Page 5, line 31:

Following "The":

Delete "office"

Insert "public office expense term"

Delete "legislative office"

Insert "public office expense term"

Page 6, line 1, following "in the":

Delete "office"

Insert "public office expense term"

Page 6, line 2:

Delete "(a)(1) - (8)"

Insert "(a) of this section but may not be disposed of as provided in (a)(1), (2), (5), or (7) - (10)"

Page 10, line 7:

Delete "as an office allowance."

Insert "under AS 24.10.110."

Page 59, line 31:

Delete "legislative office"

Insert "public office expense term"

Page 60, line 6:

Delete all material and insert:

"* **Sec. 117.** Sections 1 - 3 and 6 - 113 of this Act take effect January 1, 1999."

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 59, line 21

Page 59, line 28

Page 60, line 1

Page 60, line 3

Page 60, line 4

Page 60, line 6

0-LS0074\KA.2
Cramer
4/24/97

AMENDMENT

Held for SB 275

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 2, lines 5 - 16:

Delete "to a candidate for governor or lieutenant governor or an individual who files with the commission the document necessary to permit that individual to incur certain election-related expenses as authorized by AS 15.13.100 for governor or lieutenant governor, when the office is to be filled at a general election, before the later of the following dates:

(A) the date the individual

(i) becomes a candidate; or

(ii) files with the commission the document necessary to permit the individual to incur certain election-related expenses as authorized by AS 15.13.100; or

(B) January 1 of the year of the general election;

(2)"

Insert "[TO A CANDIDATE FOR GOVERNOR OR LIEUTENANT GOVERNOR OR AN INDIVIDUAL WHO FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THAT INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100 FOR GOVERNOR OR LIEUTENANT GOVERNOR, WHEN THE OFFICE IS TO BE FILLED AT A GENERAL ELECTION, BEFORE THE LATER OF THE FOLLOWING DATES:

(A) THE DATE THE INDIVIDUAL

(i) BECOMES A CANDIDATE; OR

(ii) FILES WITH THE COMMISSION THE DOCUMENT NECESSARY TO PERMIT THE INDIVIDUAL TO INCUR CERTAIN ELECTION-RELATED EXPENSES AS AUTHORIZED BY AS 15.13.100; OR

(B) JANUARY 1 OF THE YEAR OF THE GENERAL

ELECTION;

(2)]"

Page 2, line 28:

Delete "(3)"

Insert "(2) [(3)]"

0-LS0074\KA.3
Cramer
4/25/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 15, following line 24:

Insert a new bill section to read:

"* **Sec. 24.** AS 24.60.070(d) is amended to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the **legislator or** legislative employee is married or who is the **legislator's or** legislative employee's spousal equivalent, the **legislator or** legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The **legislator or** legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person."

Renumber the following bill sections accordingly.

Page 59, line 21:

Delete "89 - 94"

Insert "90 - 95"

Page 60, line 3:

Delete "113"

Insert "114"

Page 60, following line 3:

Insert a new bill section to read:

"* **Sec. 116.** (a) Section 24 of this Act takes effect only if

(1) a court enters a final judgment declaring that the provisions of AS 24.45.165, enacted by sec. 8 of this Act, are unconstitutional; and

(2) either the time for appeal of that judgment expires or, if an appeal is taken, the court enters a final order on appeal that the provisions of AS 24.45.165, enacted by sec. 8 of this Act, are unconstitutional.

(b) The attorney general shall notify the revisor of statutes of the entry of a final judgment described in (a) of this section.

(c) In this section and sec. 117 of this Act, "appeal" includes a petition for review or certiorari or other discretionary judicial review, but a petition for discretionary review is not considered to be "taken" unless the petition is granted.

* **Sec. 117.** If sec. 24 of this Act takes effect under sec. 116 of this Act, it takes effect 30 days after the later of (1) the date a court enters a final judgment that the provisions of AS 24.45.165, enacted by sec. 8 of this Act, are unconstitutional; and (2) the expiration of any time for appeal of that judgment, or, if an appeal is taken, the date of entry of a final order on the appeal that AS 24.45.165, enacted by sec. 8 of this Act, is unconstitutional. In this section, "appeal" has the meaning given in sec. 116(c) of this Act."

Renumber the following bill sections accordingly.

Page 60, line 4:

Delete "113, and 114"

Insert "114, and 115"

Page 60, line 6:

Delete "and 5 - 112"

Insert "5 - 23, and 25 - 113"

0-LS0074\KA.4
Cramer
4/25/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 47, line 13:

Delete ", 39.52.155,"

Page 48, line 27, through page 50, line 2:

Delete all material.

Renumber the following bill sections accordingly.

Page 59, line 21:

Delete "89 - 94"

Insert "88 - 93"

Page 60, line 3:

Delete "113"

Insert "112"

Page 60, line 4:

Delete "113, and 114"

Insert "112, and 113"

Page 60, line 6:

Delete "5 - 112"

Insert "5 - 111"

0-LS0074\KA.10
Cramer
4/30/97

Discuss as separate Am w/full committee

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 25, line 17, following ".":

Insert "**The committee shall respond to a complaint concerning the conduct of a candidate for election to state office received during the campaign period in accordance with (o) of this section.**"

Page 28, following line 26:

Insert a new bill section to read:

"* **Sec. 49.** AS 24.60.170 is amended by adding a new subsection to read:

(o) The committee shall return a complaint concerning the conduct of a candidate for state office received during a campaign period to the complainant unless the subject of the complaint permits the committee to assume jurisdiction under this subsection. If the committee receives a complaint concerning the conduct of a candidate during the campaign period, the committee shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the committee's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the committee mails or otherwise sends notice of the complaint to the candidate, notify the committee that the candidate chooses to have the committee proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the committee that the candidate is not waiving the suspension of committee jurisdiction, the committee shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period. A campaign period under this subsection begins on the later of 45 days before a primary election in which the legislator or legislative employee is a candidate for

state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified."

Renumber the following bill sections accordingly.

Page 59, line 21:

Delete "89 - 94"

Insert "90 - 95"

Page 60, line 3:

Delete "113"

Insert "114"

Page 60, line 4:

Delete "113, and 114"

Insert "114, and 115"

Page 60, line 6:

Delete "5 - 112"

Insert "5 - 113"

0-LS0074\KA.49
Cramer
2/18/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 8, following line 4:

Insert a new bill section to read:

"* **Sec. 8.** AS 24.45.041(b) is amended to read:

(b) The registration form prescribed by the commission must include

(1) the lobbyist's full name and complete permanent residence and business address and telephone number, as well as any temporary residential and business address and telephone number in the state capital during a legislative session;

(2) the full name and complete address of each person by whom the lobbyist is retained or employed;

(3) whether the person from whom the lobbyist receives compensation employs the person solely as a lobbyist or whether the person is a regular employee performing other services for the employer **that** [WHICH] include but are not limited to the influencing of legislative or administrative action;

(4) the nature or form of the lobbyist's compensation for engaging in lobbying, including salary, fees, or reimbursement for expenses received in consideration for, or directly in support of or in connection with, the influencing of legislative or administrative action;

(5) a general description of the subjects or matters on which the registrant expects to lobby or to engage in the influencing of legislative or administrative action;

(6) the full name and complete address of the person, if other than the registrant, who has custody of the accounts, books, papers, bills, receipts, and other documents required to be maintained under this chapter;

(7) the identification of a legislator, legislative employee, or upper-level employee in the executive branch of state government as defined in

AS 39.52.960 to whom the lobbyist is married or who is the spousal equivalent of the lobbyist."

Renumber the following bill sections accordingly.

Page 15, line 17:

Following "whom the":

Insert "legislator or"

Following "is the":

Insert "legislator's or"

Page 15, line 18, following "the":

Insert "legislator or"

Page 15, line 20, following "The":

Insert "legislator or"

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 59, line 21

Page 59, line 28

Page 60, line 1

Page 60, line 3

Page 60, line 4

Page 60, line 6

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM February 26, 1998

SUBJECT: Title of CSSB 105(FIN) am (Legislative and Executive branch ethics and campaign finance)

TO: Senator Tim Kelly
Attn: Ben Brown

FROM: Teresa B. Cramer
Legislative Counsel

You have asked for a memorandum concerning whether a resolution is needed to waive application of the Uniform Rules for a title amendment to the campaign finance and ethics bill referenced above. The title as passed by the Senate reads:

> "An Act relating to legislative and executive branch ethics; relating to campaign finances for candidates for state office; relating to the conduct and regulation of lobbyists with respect to public officials; relating to the filing of disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

As passed by the Senate, the bill contains an amendment to AS 15.13.072(d) which affects municipal elections as well as elections for state office (for the governor, lieutenant governor, and members of the legislature) but there was a drafting error and the amendment inadvertently failed to amend the bill title.[1] To correct this oversight, the title should be amended. One possibility is to amend the second clause of the title to read: "relating to campaign finances for candidates for state **or municipal** office."

---

[1] Existing law prohibits a legislator or legislative employee who is a candidate for any office from soliciting and accepting contributions during a legislative session. The amendment to AS 15.13.072(d) in the bill prohibits all candidates who are running for election to state office from soliciting contributions during a legislative session. Current law prohibits legislators and legislative employees who are running for municipal office from soliciting or accepting contributions during a session but under the bill they would be permitted to do so.

Although the bill is in the second house, it is my opinion that the title change described above does not require a concurrent resolution waiving the Uniform Rules. While Uniform Rule 24(c) prohibits a committee of the second house from reporting out a committee substitute or amendment that requires a title change, other than a clerical or technical one, the title change here is not "required" by an amendment or change in the second house. Rather, it is required to correct the defective title in bill as passed by the first house. Accordingly, our office has in the past considered such changes to be "technical." The requirements of Uniform Rules 35 and 41(b) are consistent with Uniform Rule 24, stating that motions or propositions that require a change in the title of the bill as enacted in the house of origin, other than a clerical or technical change, are out of order. Of course, the Senate will still have the right to consider whether to concur in any changes to the bill made by the House, including a change to the title.

Please let me know if you have additional questions on this matter.

TC:jdr
98-118.jdr

0-LS0074\KA.10
Cramer
4/30/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 25, line 17, following ".":

Insert "**The committee shall respond to a complaint concerning the conduct of a candidate for election to state office received during the campaign period in accordance with (o) of this section.**"

Page 28, following line 26:

Insert a new bill section to read:

"* **Sec. 49.** AS 24.60.170 is amended by adding a new subsection to read:

(o) The committee shall return a complaint concerning the conduct of a candidate for state office received during a campaign period to the complainant unless the subject of the complaint permits the committee to assume jurisdiction under this subsection. If the committee receives a complaint concerning the conduct of a candidate during the campaign period, the committee shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the committee's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the committee mails or otherwise sends notice of the complaint to the cand date, notify the committee that the candidate chooses to have the committee proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the committee that the candidate is not waiving the suspension of committee jurisdiction, the committee shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period. A campaign period under this subsection begins on the later of 45 days before a primary election in which the legislator or legislative employee is a candidate for

state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified."

Renumber the following bill sections accordingly.

Page 59, line 21:

Delete "89 - 94"

Insert "90 - 95"

Page 60, line 3:

Delete "113"

Insert "114"

Page 60, line 4:

Delete "113, and 114"

Insert "114, and 115"

Page 60, line 6:

Delete "5 - 112"

Insert "5 - 113"

AMENDMENT

OFFERED IN THE HOUSE by Representative Berkowitz

TO: CSSB 105(FIN) am

Page 1, line 11, following "to":

Delete "**state office**"

Insert "**the legislature**"

0-LS0074\KA.11
Cramer
2/9/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 12, line 19:

Delete "a new subsection"

Insert "new subsections"

Page 12, following line 27:

Insert a new subsection to read:

"(i) A legislator or legislative employee may only use public funds, facilities, equipment, services, or other assets or resources in a matter that involves partisan politics if the public purpose of the activity outweighs the partisan political purpose. A group mailing addressed to members of only one political party is presumed to have a partisan political purpose. The legislator or legislative employee may overcome that presumption with substantial evidence that the public purpose of the mailing outweighs the partisan political purpose."

Will be reworded.

0-LS0074\KA.73
Cramer
3/19/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 48, following line 15:

Insert a new subsection to read:

"(b) An elected official may not hold a campaign fund raising event in a place other than the capital city to which the elected official traveled at state expense immediately preceding the event. This subsection does not prohibit an elected official from holding a campaign fund raising event in a place to which the elected official traveled at state expense if the travel to the place was scheduled to be completed at least 48 hours before the event was scheduled to begin. In this subsection, "elected official" means the governor or the lieutenant governor."

Reletter the following subsection accordingly.

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 35, line 21, through page 41, line 10:

Delete all material and insert:

*** Sec. 64.** AS 39.50.020 is amended to read:

Sec. 39.50.020. Report of financial and business interests. (a) A **public official other than the governor or the lieutenant governor** [JUDICIAL OFFICER, COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A MUNICIPAL OFFICER] shall file a statement giving income sources and business interests, under oath and on penalty of perjury, within 30 days after taking office as a public official. Candidates for state elective office other than a candidate who is subject to AS 24.60 shall file **the** [SUCH A] statement with the director of elections at the time of filing a declaration of candidacy or a nominating petition [,] or [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for elective municipal office shall file **the** [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that a previously accepted filing fee be returned and the candidate's name removed from the filing records. A statement shall also be filed by public officials no later than **March** [APRIL] 15 or 15 days after the person files a federal income tax return in each following year, whichever comes first. Persons who are members of boards or

commissions not named in AS 39.50.200(b) are not required to file financial statements.

(b) **A public official other than an elected or appointed municipal officer** [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission. Candidates for the office of governor and lieutenant governor and, if the candidate is not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* **Sec. 65.** AS 39.50.030(a) is amended to read:

(a) Each statement **must** [SHALL] be an accurate representation of the financial affairs of the public official or candidate and **must** [SHALL] contain the same information for each member of the person's family, as specified in (b) **and (d)** of this section, to the extent that it is ascertainable by the public official or candidate. [AN ASSET OR LIABILITY UNDER $500, HOUSEHOLD GOODS, AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

* **Sec. 66.** AS 39.50.030(b) is amended to read:

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

(1) the source of all income over **$1,000** [$100] during the preceding calendar year, including taxable and nontaxable capital gains, received by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person**, except that a source of income that is a gift must be included if the value of the gift exceeds $250**;

(2) the identity, by name and address, of each business in which the

person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned in any business during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(4) the identity and nature of each interest in real property, including an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(5) the identity of each trust or other fiduciary relation in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person held a beneficial interest **exceeding $1,000** during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee **of more than $1,000** made to the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person, the person's spouse or dependent child, or a nondependent child of the person who lives with that person owed **more than $1,000; this paragraph requires disclosure of a loan, loan guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than $1,000 at any time during the preceding calendar year** [$500 OR MORE];

(7) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, **a partnership or professional corporation of which the person is a member** [THE PERSON'S MOTHER OR FATHER], or a corporation in which the person or the person's spouse or children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar year by the person, the person's **spouse or** dependent child, a nondependent child of the person who is living with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse or children, or a combination of them, holds a controlling interest.

* **Sec. 67.** AS 39.50.030 is amended by adding new subsections to read:

(d) In addition to the requirements of (b) of this section, each statement filed under this chapter by a public official in the executive branch of state government other than the chair or a member of a state commission or board must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed so that a reader can ascertain the nature of the association. A public official shall disclose a close economic association with

(1) a legislator;

(2) a public official who is not an elected or appointed municipal officer;

(3) a lobbyist; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If a public official required to disclose a close economic association under (d) of this section forms a close economic association after the date on which the public official files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the commission within 60 days after the formation of the association.

(f) When making a disclosure under (d) of this section concerning a relationship with a lobbyist to whom the public official is married or who is the public official's spousal equivalent, the public official shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The public official shall report changes in the employers of the spouse or spousal equivalent within 48 hours after the change. In this subsection,

"employer of the lobbyist" means the person from whom the lobbyist received money, or goods or services having a monetary value, for engaging in lobbying on behalf of the person.

(g) In this section,

(1) "close economic association" means a financial relationship that exists between a public official required to disclose a close economic association under (d) of this section and some other person or entity, including a relationship where the public official serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, business, or corporation;

(2) "public officer" has the meaning given in AS 39.52.960;

(3) "spousal equivalent" means a person who is cohabiting with another person in a relationship hat is like a marriage but that is not a legal marriage.

* **Sec. 68.** AS 39.50.070 is amended to read:

Sec. 39.50.070. Failure to report by <u>certain state employees</u> **[DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS].** A <u>public official</u> [PERSON HIRED OR APPOINTED AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT] in the executive branch <u>**of state government, other than the governor or lieutenant governor or a chair or member of a state board or commission,**</u> who refuses or fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature for confirmation, until the person complies. The person may not be confirmed, hired, or appointed, and the person forfeits and may not be paid any salary, per diem, or travel expenses, until the person complies. If, after installation <u>**in office or beginning employment in the position**</u> [AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT], the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date of the report.

* **Sec. 69.** AS 39.50.080 is amended to read:

Sec. 39.50.080. Failure to report by a commission or board chair [CHAIRMAN] or member. A person hired or appointed as a commissioner, **chair,** [CHAIRMAN] or member of a state commission or board specified in AS 39.50.200(b)**, including the executive director of the Alaska Tourism Marketing Council,** who fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature until the person complies. The person may not be confirmed, and the person forfeits and may not be paid any salary, per diem or travel expenses, until the person complies. If, after being seated as commissioner, **chair,** [CHAIRMAN] or member of **the** [SUCH A] commission or board the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date.

*** Sec. 70.** AS 39.50.200(a)(8) is amended to read:

(8) "public official" means

(A) a judicial officer**;**

(B) [,] the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of [, OR DIRECTOR OF A DIVISION,] a department in the executive branch**;**

(C) a person hired in a department in the executive branch as

(i) the director or deputy director of a division;

(ii) a special assistant to the head of the department;

(iii) the legislative liaison for the department;

(iv) the procurement officer for the department;

(D) a person hired as [,] an **employee in the office of** [ASSISTANT TO] the governor **or the office of the lieutenant governor other than**

(i) a clerical, security, messenger, or maintenance employee, or other employee in the office of the governor or the office of the lieutenant governor whom the personnel board

designates because the employee is not employed in an executive or professional capacity or as an administrator and does not exercise discretion over policy matters;

(ii) an employee of the State Commission for Human Rights, including the director;

(iii) an employee of the office of equal employment opportunity; however, the director of the office is a public official;

(iv) an employee of the division of elections; however, the director of the division is a public official;

(v) an employee of the Alaska Human Resource Investment Council, including the director;

(vi) an employee of the Alaska Human Relations Commission, including the director;

(E) the [,] chair or **a** member of a state commission or board**;**

(F) [,] state investment officers and the state comptroller in the Department of Revenue**;**

(G) [,] the executive director of the Alaska Tourism Marketing Council**;**

(H) the chief procurement officer appointed under AS 36.30.010; and

(I) [, AND] each appointed or elected municipal officer;"

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Below are listed all the internal bill section references in this bill:

Page 59, line 21

Page 59, line 28

Page 60, line 1

Page 60, line 3

Page 60, line 4

Page 60, line 6

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM February 13, 1998

SUBJECT: Explanation of the amendment to Unemployment Compensation laws contained in the Legislative and Executive Branch Ethics bill (CSSB 105(FIN) am)

TO: Senator Tim Kelly
Attn: Ben Brown

FROM: Teresa B. Cramer TBC
Legislative Counsel

You have asked for an explanation of sec. 6 of the above-referenced bill. Section 6 amends AS 23.20.526(d), which sets out certain kinds of work that will not be considered "employment" for purposes of the state's unemployment compensation laws. In paragraph (8) of that subsection, existing law provides that employment by a state or a political subdivision of the state does not count as employment if the service is performed by an individual in the exercise of duties as a "**public official" as defined in AS 39.50.200(a)**." Section 70 of CSSB 105(FIN) am amends the definition of "public official" by adding executive branch employees who are in the exempt or partially exempt service who are compensated at Range 19 or better unless they are members of a collective bargaining unit. This amendment to AS 39.50.200 was intended to make these executive branch employees file financial disclosure statements. It was not intended to make them ineligible for unemployment compensation benefits. In order to avoid having them excluded from unemployment compensation benefits under AS 23.20.526(8), that paragraph was rewritten. Instead of relying on the definition of "public official" in AS 39.50.200(a), it now lists all of the officials who were included in the definition before the addition of Range 19-plus executive branch employees.

I hope this clarifies the purpose for this bill section. Let me know if you have additional questions about it.

TC:jdr
98-087.jdr

Passed Am #1 - Remove p8 lines 5, 12 (Section 8)

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

Rules Committee

TO: Representative James, Chairman
House State Affairs Committee

FROM: Benjamin Brown, Legislative Aide to Senator Kelly

DATE: 16 February 1998

IN RE: analysis of the second set of proposed amendments to *CSSB 105 (Fin) am*

Amendment KA. 11: *PROHIBITIONS ON USE OF STATE RESOURCES*

This amendment adds a new subsection to the legislative ethics code that prohibits legislators and legislative employees from using public resources for partisan activities unless the public purpose outweighs the partisan purpose. The amendment sets out that a mailing to members of one party is presumed to have a partisan purpose, but allows that presumption to be overcome with substantial evidence of the public purpose.

Amendment KA. 17: *CONTINGENCY LANGUAGE FOR BAN ON LEGISLATIVE SPOUSAL LOBBYING*

Section 8 of this bill prohibits lobbying activity by legislators' spouses and cohabitants. Section 22 of the bill requires legislative employees to disclose information on a spouse or spousal equivalent's lobbying activity, including clients and compensation received. Amendment KA.17 adds contingency language to the bill so that if the ban on spousal lobbying for legislators is found unconstitutional, there won't be a hole in the law (I.E., a disclosure requirement for legislative employees, and nothing for legislators). If the ban is struck down, a disclosure requirement for legislative spousal lobbying will go into effect 30 days after a final judgment, or the expiration of an appeal or final decision in an appeal. Disclosure requirements for legislators would then be identical to those the bill prescribes for legislative and executive branch employees. Amendment KA.17 also requires lobbyists to disclose legislative, legislative employee, or executive branch spouses or spousal equivalents to APOC, along with the information that lobbyists must already disclose. N.B. - Amendment KA.17 replaces Amendments KA.3 (distributed Thursday the 5th with the first batch of amendments).

Amendment KA. 18: *STANDARDISATION OF TERMINOLOGY: 'UPPER-LEVEL LEGISLATIVE EMPLOYEES'*

The bill requires legislative employees compensated at Range 19 or higher to disclose annually under the terms of 24.60.200. Amendment KA.18 standardises all references in the bill to this new group of persons required to disclose, by defining the term 'upper-level' employee. This is meant to minimise confusion for those persons reading the legislative ethics code, making compliance easier. This amendment also sets out whom APOC should notify of a person's failure or refusal to file.

Amendment KA. 20: *ELIMINATION OF COMMITTEE GUIDELINES*

The bill as currently written allows the Ethics Committee to adopt guidelines to implement the legislative ethics code. This was suggested as a way to expand upon the practice of issuing advisory opinions as a means of fleshing out the code. The problem with this approach is that it serves as a disincentive for individuals covered under the code to seek advisory opinions on their own specific situations. Amendment KA.20 repeals the guideline language from the bill, which will allow the Committee to continue its established practice of reviewing individual compliance with the law on a case by case basis. Legislators and staff will be able to consult published advisory opinions as a means of learning more about the ethics code.

Amendment KA. 25: *LEGISLATIVE DESIGNATION OF GYM SPACE*

The legislative ethics code as currently written has been interpreted by the Ethics Committee as prohibiting the designation of public space for use by legislators and staff for health and fitness purposes. The acquisition of Capitol School by the Legislative Affairs Agency from the City & Borough of Juneau was contingent upon shared use of the gym with the community. In order for LAA to designate the Capitol School gym as legislative space, Amendment KA.25 must be incorporated into *CSSB 105 (Fin) am.*

Amendment KA. 26: *EXPEDITED EFFECTIVE DATE FOR SESSION FUNDRAISING BAN ON STATE OFFICE CANDIDATES*

Expanding the ban on session fundraising to include the governor and lieutenant-governor effects a solid improvement to Alaska's campaign finance laws. The delayed effective date for the other provisions of the bill need not prevent this timely change from leveling the playing field during the current legislative session. Amendment KA.26 will change the effective date for the session fundraising ban component from the 1st day of 1999 to seven days after the bill becomes law.

Amendment KA. 27: *EXPEDITED EFFECTIVE DATE FOR SESSION*

APOC staff issued a ruling on the posting of campaign signs by businesses in last fall's elections that seemed illogical to many Alaskans. This ruling treated the posting of signs by businesses as contributions with monetary value under Alaska's campaign finance law, thus banning them. This led to attempts to quantify the value of signs, and much

confusion across the State. While APOC has overruled the aforementioned staff interpretation of the code, Amendment KA.37 seeks to ensconce a more rational view in statute. It recognizes that that in the eyes of the U.S. Supreme Court, political speech constitutes the most highly protected type of expression covered by the First Amendment. A private citizen's ability to express political views, especially within the boundaries of private property, should only be restricted under extraordinary circumstances. Putting a campaign sign up doesn't meet this test, and Amendment KA.27 will ensure that, in future, Alaskans' First Amendment rights are not infringed upon as they promote political candidates of their choice on their own private property in a reasonable manner.

Amendment KA. 28: *DUAL USE OF BULK-MAIL PERMITS*

APOC interpretation of the campaign finance law has led some legislators to secure two separate bulk-mailing permits from the Post Office. This is an unnecessary restriction in that the use of a bulk mailing permit is not a significant advantage to a campaign or legislative office. The prime beneficiary of APOC's bulk-mailing permit policy has been the Post Office, as they see increased demand for these permits. Amendment KA.28 clarifies that the use of a bulk mailing permit is not restricted by APOC.

Amendment KA. 35: *LEGISLATIVE USE OF PRIVATE OFFICES*

The legislative ethics code as currently written explicitly prohibits use of state resources for personal gain or political ends. Specific exceptions are allowed for, in cases where use is nominal or re-embursement is made, but confusion over the level of allowable use persists. Amendment KA.35 specifies that for legislators only, a certain higher level of protection from the ban on personal gain is appropriate, given the part-time, citizen nature of Alaska's legislative branch of government. The amendment will dictate that as long as the use of a private office by a legislator doesn't interfere with governmental purposes, and costs are nominal or re-emboursed, the legislator will not be breaking the ethics laws by using his or her office.

0-LS0074\KA.17
Cramer
1/15/98

AMENDMENT

Not needed now.

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 8, following line 4:

Insert a new bill section to read:

"* **Sec. 8.** AS 24.45.041(b) is amended to read:

(b) The registration form prescribed by the commission must include

(1) the lobbyist's full name and complete permanent residence and business address and telephone number, as well as any temporary residential and business address and telephone number in the state capital during a legislative session;

(2) the full name and complete address of each person by whom the lobbyist is retained or employed;

(3) whether the person from whom the lobbyist receives compensation employs the person solely as a lobbyist or whether the person is a regular employee performing other services for the employer **that** [WHICH] include but are not limited to the influencing of legislative or administrative action;

(4) the nature or form of the lobbyist's compensation for engaging in lobbying, including salary, fees, or reimbursement for expenses received in consideration for, or directly in support of or in connection with, the influencing of legislative or administrative action;

(5) a general description of the subjects or matters on which the registrant expects to lobby or to engage in the influencing of legislative or administrative action;

(6) the full name and complete address of the person, if other than the registrant, who has custody of the accounts, books, papers, bills, receipts, and other documents required to be maintained under this chapter;

(7) the identification of a legislator, legislative employee, or state official to whom the lobbyist is married or who is the spousal equivalent of the

lobbyist."

Renumber the following bill sections accordingly.

Page 15, following line 24:

Insert a new bill section to read:

"* **Sec. 25.** AS 24.60.070(d) is amended to read:

(d) When making a disclosure under (a) of this section concerning a relationship with a lobbyist to whom the **legislator or** legislative employee is married or who is the **legislator's or** legislative employee's spousal equivalent, the **legislator or** legislative employee shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The **legislator or** legislative employee shall report changes in the employer of the spouse or spousal equivalent within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received amounts or things of value for engaging in lobbying on behalf of the person."

Renumber the following bill sections accordingly.

Page 59, following line 19:

Insert a new bill section to read:

"* **Sec. 114.** AS 24.45.165 is repealed."

Renumber the following bill sections accordingly.

Page 60, following line 2:

Insert a new bill section to read:

"* **Sec. 117.** CONDITIONAL EFFECTIVE DATE OF CERTAIN RESTRICTIONS AND REQUIREMENTS RELATING TO CERTAIN LOBBYISTS. (a) Section 8 of this Act, amending AS 24.45.041(b), sec. 25 of this Act, amending AS 24.60.070(d), which is enacted in sec. 24 of this Act, and sec. 114 of this Act repealing AS 24.45.165, take effect only if

(1) a court enters a final judgment that AS 24.45.165, enacted by sec. 9 of this

Act, prohibiting spouses of legislators and persons cohabiting with legislators from engaging in certain lobbying violates the state or federal constitution: and

(2) either the time for appeal of that judgment expires or, if an appeal is taken, the court enters a final order on appeal that AS 24.45.165, enacted by sec. 9 of this Act, violates the state or federal constitution.

(b) If secs. 8, 25, and 114 of this Act take effect under (a) of this section, they take effect on the later of (1) the date a court enters a final judgment that AS 24.45.165, enacted by sec. 9 of this Act, is unconstitutional, and (2) the expiration of any time for appeal of that judgment, or upon entry of a final order on the appeal that AS 24.45.165, enacted by sec. 9 of this Act, is unconstitutional. The attorney general shall promptly notify the lieutenant governor and the revisor of statutes of a judgment described in this section."

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur in the following places:

Page 59, lines 21 and 28

Page 60, lines 1, 3, 4, and 6

0-LS0074\KA.18
Cramer
1/15/98

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 8, lines 18 - 19:

Delete "a legislative director **or another legislative employee who is subject to disclosure**"

Insert "**an upper-level employee** [A LEGISLATIVE DIRECTOR]"

Page 31, lines 18 - 19:

Delete "[AND] **legislative directors, public members of the committee, and certain legislative employees**"

Insert "**upper-level employees, and public members of the committee** [LEGISLATIVE DIRECTORS]"

Page 31, lines 20 - 21:

Delete "[AND A] legislative director, **public member of the committee and legislative employee who is required to disclose**"

Insert "**upper-level employee,** and a **public member of the committee** [LEGISLATIVE DIRECTOR]"

Page 31, lines 28 - 29:

Delete "**; however, a person subject to disclosure requirements is not required to report any gifts**"

Insert "**other than information about gifts**"

Page 32, lines 5 - 6:

Delete "**person subject to disclosure requirements** [LEGISLATOR OR"

Insert "legislator or **an upper-level employee** ["

Page 32, lines 20 - 21:

Delete "**person subject to disclosure requirements** [LEGISLATOR AND"

Insert "legislator and **an upper-level employee** ["

Page 32, lines 24 - 25:

Delete "**a legislative employee who is required to disclose**'

Insert "**an upper-level employee**"

Page 32, lines 30 - 31:

Delete "**person subject to disclosure requirements** [LEGISLATOR OR"

Insert "legislator or **an upper-level employee** ["

Page 33, lines 11 - 12:

Delete "**a person subject to disclosure requirements** [AN INCUMBENT LEGISLATOR"

Insert "an incumbent legislator ["

Page 33, line 17, following "AS 39.50.060(b).":

Insert "**In addition to the sanctions described in AS 24.60.260, if the Alaska Public Offices Commission finds that an upper-level employee has failed or refused to file a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify the appropriate committee of the legislature. For the ombudsman and employees of the office of the ombudsman, the appropriate committee is the Legislative Council. For upper-level employees who are not employed by the Legislative Affairs Agency or the Legislative Budget and Audit Committee, the commission shall notify the Rules Committee of the appropriate legislative body.**"

Page 34, lines 9 - 14:

Delete all material.

Page 34, line 15:

Delete "(17)"

Insert "(15)"

Page 34, line 17:

Delete "(18)"

Insert "(16)"

Page 34, line 18:

Delete "."

Insert ";

(17) "upper-level legislative employee" or "upper-level employee" means a legislative employee who is compensated at Range 19 or above of the state salary schedule under AS 39.27.011."



OK Leg Substitute 2/24

0-LS0074\KA.20
Cramer
2/9/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 18, line 24:

Delete "in accordance with guidelines adopted by the committee"

Page 23, line 21, through page 24, line 2:

Delete all material.

Renumber the following bill sections accordingly.

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur in the following places:

Page 59, lines 21 and 28

Page 60, lines 1, 3, 4, and 6

0-LS0074\KA.25
Cramer
1/27/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 9, line 7:

Delete "or"

Insert "[OR]"

Page 9, line 9, following ";":

Insert "**or**

(D) the legislative council from designating a public facility for use by legislators and legislative employees for health or fitness purposes; when the council designates a facility to be used by legislators and legislative employees for health or fitness purposes, it shall adopt guidelines governing access to and use of the facility; the guidelines may establish times in which use of the facility is limited to specific groups;"

Leave for full committee

0-LS0074\KA.26
Cramer
1/30/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 60, line 6:

Delete all material and insert:

"*** Sec. 116.** Sections 1, 2, and 5 of this Act take effect seven days after the date on which this Act becomes law.

*** Sec. 117.** Sections 6 - 112 of this Act take effect January 1, 1999."

(Revised in full committee (Fin SB 2-15)

0-LS0074\KA.27
Cramer
1/30/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

"Make it" not necessary

Page 1, line 2, following "**state**":

Insert "**or municipal**"

Page 1, following line 7:

Insert a new bill section to read:

"*** Section 1.** AS 15.13.040 is amended by adding a new subsection to read:

(i) The permission of the owner of real or personal property to post political signs, including bumper stickers, on property is not considered to be a contribution under this chapter unless the owner customarily charges a fee or receives payment for permitting the posting of political signs. The fact that the owner customarily charges a fee or receives payment for posting signs that are not political signs is not determinative of whether the owner customarily does so for political signs."

Page 1, line 8:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 60, following line 5:

Insert a new bill section to read:

"*** Sec. 117.** Section 1 of this Act takes effect seven days after the date on which this Act becomes law."

Renumber the following bill section accordingly.

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur at the following places:

Page 59, line 21

Page 59, line 28

Page 60, line 1

Page 60, line 3

Page 60, line 4

Page 60, line 6

0-LS0074\KA.28
Cramer
1/29/98

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 105(FIN)

Page 1, line 2, following "state":

Insert "**or municipal**"

Page 5, following 21:

Insert a new bill section to read:

"*** Sec. 4.** AS 15.13.116(b) is amended to read:

(b) After a general, special, municipal, or municipal runoff election, a candidate may retain the ownership of one computer and one printer and of personal property, except money, that was acquired by and for use in the campaign. The current fair market value of the property retained, exclusive of the computer and printer, may not exceed $2,500. All other property shall be disposed of, or sold and the sale proceeds disposed of, in accordance with (a) or (c) of this section. **Notwithstanding any other provision of this chapter, a candidate may (1) retain a bulk mailing permit that was paid for with campaign funds, and (2) use personal funds, campaign funds, or unused campaign contributions transferred to a legislative office account under AS 15.13.116(a)(9) to pay the continuing charges for the permit after the election. Money used to continue the life of the permit is not considered to be a contribution under this chapter. In addition to any other use permitted under this chapter, during the candidate's term of office, the candidate may use the bulk mailing permit for mailings associated with service in the office to which the candidate was elected. During the candidate's term of office, if the candidate files a declaration of candidacy or a letter of intent to become a candidate for the same or a different elective office, the candidate may also use the bulk mailing permit in that election campaign.**"

Renumber the following bill sections accordingly.

Page 17, line 30, following "**AS 15.13.040(g)**":

Insert "**. The use of a bulk mailing permit owned by a legislator's campaign committee or used in a legislator's election campaign is not a gift to that legislator under this section**"

Page 60, line 6:

Delete all material and insert:

"* **Sec. 117.** Sections 1, 2, 4, and 6 - 113 of this Act take effect January 1, 1999."

Renumber internal references to bill sections in accordance with this amendment. Internal bill section references occur at the following places:

Page 59, line 21
Page 59, line 28
Page 60, line 1
Page 60, line 3
Page 60, line 4
Page 60, line 6

0-LS0074\KA.35
Cramer
1/31/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

See Attached

Page 9, line 7:

Delete "or"

Insert "[OR]"

Page 9, line 9, following ";":

Insert "**or**

(D) a legislator from using the legislator's private office for nongovernmental purposes if the use does not interfere with the performance of public duties and if the cost to the state for the use of the space, equipment, and supplies is nominal or the legislator reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is reserved for use by the legislator, whether or not it is shared with others;"

Page 9, line 31:

Delete "**or**"

Page 10, line 2, following "**office**":

Insert "**; or**

(E) a legislator from using the legislator's private office for nongovernmental purposes if the use does not interfere with the performance of public duties and if the cost to the state for the use of the space, equipment, and supplies is nominal or the legislator reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is reserved for use by the legislator, whether or not

it is shared with others"

Immd. Attn. Barbara

KA.61

2/26/98
Susie Barnett, Staff
Select Committee on Legislative Ethics

Suggested language re: Amendment KA.61

Change both paragraphs to read:

a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nongovernmental purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and (minimal wear and tear) or the legislator promptly reimburses the state for the cost: and office is considered a legislator's private office under this subparagraph ~~if it is~~ the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others.

IF it is

Drafter may need a Leadership team

adopted.

0-LS0074\KA.61
Cramer
2/25/98

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 9, line 7:

Delete "or"

Insert "[OR]"

Page 9, line 9, following ";":

Insert "**or**

(D) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nongovernmental purposes if the use does not interfere with the performance of public duties and ~~if the incremental cost~~ to the state for the use of the space, equipment, and supplies is not substantial or the legislator reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others;"

Page 9, line 31:

Delete "**or**"

Page 10, line 2, following "**office**":

Insert "**; or**

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative

session, for nongovernmental purposes if the use does not interfere with the performance of public duties and if the incremental cost to the state for the use of the space, equipment, and supplies is not substantial or the legislator reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others"

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM June 13, 1997

SUBJECT: Sectional Summary of CSSB 105(FIN) am. (Legislative and Executive Branch Ethics bill)

TO: Senator Tim Kelly
Attn: Ben Brown

FROM: Teresa B. Cramer TBC
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Campaign finance sections

Section 1 amends AS 15.13.072(d) to expand the prohibition on candidates soliciting or accepting contributions during a legislative session to include candidates for election or reelection to state office. "State office" is defined in sec. 5 of the bill to include the governor, lieutenant governor, legislators, and similar state offices.

Sec. 2 amends AS 15.13.074(c) to prohibit persons or groups from making contributions to a candidate for state office during a regular legislative session. The prohibition currently applies only to candidates for the state legislature.

Secs. 3 and 4 amend AS 15.13.116(a)(9) and add AS 15.13.116(d), to permit legislators to establish office account reserves from unused campaign contributions. A legislator may transfer up to $5,000 each year of office from the reserve account to the legislator's legislative office account. At the end of the legislator's term, any amount remaining in the legislative office account reserve must be disposed of as provided in AS 15.13.116(a)(1) - (8).

Sec. 5 defines "state office" for purposes of AS 15.13.

Technical change

Sec. 6 makes a technical amendment to the state's unemployment compensation law. The amendment is made necessary because the definition of "public official" in AS 39.50.200(a) is amended by sec. 70 of the bill. The change made by bill sec. 70 is not intended to apply to the unemployment compensation laws. Therefore, the meaning of "public official" as it reads in current law is set out in AS 23.20.526(d)(8)(A).

Subpoena Power

Sec. 7 amends AS 24.25.010(e) to include the Legislative Ethics Committee in the list of legislative committees that may issue a subpoena without securing the concurrence of the presiding officer.

Lobbying laws

Sec. 8 adds a new section to AS 24.45, the state lobbying laws, to prohibit a legislator's spouse or a person cohabiting with a legislator from engaging in lobbying the executive branch of state government or the legislature during the legislator's term of office. "Engage in lobbying" and "person cohabiting with" are defined in subsection (b).

Sec. 9 amends AS 24.45.171(12), the definition of "public official" or "public officer" for the state lobbying laws, to include those legislative employees who are required to make financial disclosures under AS 24.60.990(a). The terms "legislative employee who is required to disclose" and "person subject to disclosure requirements" are defined in bill sec. 61, which adds paragraphs to AS 24.60.990(a). Those definitions refer to legislative employees who are compensated at or above Range 19 of the state salary schedule.

It would be clearer if this bill section were changed to refer to legislative employees who are "required to disclose" instead of employees who are "subject to disclosure."

Legislative Code of Ethics

Sec. 10 amends AS 24.60.030(a). The amendments to (2)(A) and to (5)(A) permit legislators and legislative employees to make limited use of public property (paragraph 2) or state property (paragraph 5) for personal purposes even if there is a cost to the state for the use so long as the legislator or legislative employee reimburses the state for the cost. Legislators and legislative employees may also make limited use of office facsimile machines for personal purposes. The amendment to paragraph (5)(D) permits the storing or maintaining of election campaign records in a legislator's office. (Under AS 24.60.030(b) a legislative employee is prohibited from working on campaign matters on government time).

Sec. 11 repeals and reenacts AS 24.60.030(c) to clarify that state funds other than the office allowance may not be used for mass mailings about legislators, legislative employees, or other persons who are candidates for federal, state or municipal office or to the board of an electric or telephone cooperative.

Sec. 12 extends the prohibition in AS 24.60.030(d) against distributing or posting campaign communications to also prohibit distributing or posting notices about fund-raising events for candidates. The amendment applies the prohibition to legislative employees as well as legislators and applies whether or not the election has been concluded. There is an exception for communications posted in a legislator's private office.

Sec. 13 amends AS 24.60.030(f) to clarify that a legislator or legislative employee whose appointment to a board is disclosed in the House or Senate Journal does not need to make an additional disclosure to the Ethics Committee. The disclosures of membership on a board must be filed by the deadlines set out in AS 24.60.105, added by bill sec. 33.

Sec. 14 repeals and reenacts AS 24.60.030(g) to address when and to what extent a legislator or legislative employee who has a substantial financial interest in an issue can take official action on the issue. Under the proposal, for votes and other activities in committee or on the floor of the House or Senate, the legislator or legislative employee would have to make an oral disclosure of his or her interest before acting. For other kinds of actions (requesting that research be done or a bill be drafted, for example), the legislator or legislative employee would have to disclose the substantial financial interest to the ethics committee in writing within seven days after taking the action. The written disclosure is a public document. The subsection defines "financial interest" and "official action."

Sec. 15 adds subsection (h) to AS 24.60.030 to address how to determine whether an employee is on government time. The committee is directed to consider the work schedule set by the employee's immediate supervisor. An employee is required to take leave for periods of political campaigning during the employee's work day. Some political activities (answering a phone call, forwarding incoming mail to the campaign committee) are permitted if they are part of the normal legislative duties of the employee.

Sec. 16 clarifies that, for purposes of the prohibition against fund-raising during sessions contained in AS 24.60.031(a), a legislator or legislative employee may not solicit or accept a campaign contribution for any state office, accept money from an event held during session, or spend money on a campaign for state office that was raised during any part of a day when either house of the legislature is in session.

Sec. 17 amends AS 24.60.039 to permit the Ethics Committee to refer employment discrimination complaints to the State Human Rights Commission and to wait until the Human Rights Commission has completed its proceedings before considering the complaint itself.

Sec. 18 amends AS 24.60.040(a) to permit legislators and legislative employees to enter into a state contract or lease that is let under any method permitted by the State Procurement Code or under similar procedures for agencies not subject to the Procurement Code. Currently legislators and legislative employees may only enter into state contracts and leases that are let through competitive sealed bidding, that are worth less than $1,000, or that are in a standardized form. In addition to expanding the types of procedures under which the contract may be let, this bill section increases the ceiling to an annual value of $5,000. Legislators and legislative employees who participate in a state contract or lease, or the renegotiation of a contract or lease, that has an annual value of at least $5,000 or who know of a family member who is participating in a state contract or lease worth at least $5,000 must disclose the participation.

Sec. 19 adds a new subsection, AS 24.60.040(c), to clarify that the statute on state contracts and leases does not apply to state programs and loans that are subject to AS 24.60.050.

Sec. 20 amends AS 24.60.050(c) to incorporate the disclosure procedures set out in AS 24.60.105, enacted by bill sec. 33, and to permit the committee to refrain from publishing disclosures of participation in a state program where disclosure would violate the constitutional right to privacy. This amendment is consistent with Advisory Opinion No. 94-07.

Sec. 21 adds a new subsection to AS 24.60.060 to require a legislator or legislative employee who is the subject of a complaint before the Ethics Committee to comply with protective orders issued by the committee.

Sec. 22 amends AS 24.60.070(b) to set deadlines for disclosures of close economic associations. The disclosures must be made by the date set under AS 24.60.105, which is added to the ethics code by sec. 33 of the bill.

Sec. 23 adds a new subsection to AS 24.60.070 to require a legislative employee who is married to a lobbyist or who is maintaining a spousal-like relationship with a lobbyist to make disclosures concerning the lobbyist's employers and income from lobbying.

Sec. 24 amends AS 24.60.080(a) to increase the gift exemption from $100 per year to $250 per year. The subsection prohibits gifts from lobbyists during session except food or beverage for immediate consumption. This limitation conforms the legislative ethics law to the restrictions that already apply to lobbyists under AS 24.45.121(a)(9).

Sec. 25 amends AS 24.60.080(c) which sets out the exemptions to the prohibition against accepting gifts. Paragraph (c)(1)(A) forbids legislators and legislative employees from accepting a gift of hospitality at a person's vacation home located outside the state. The statute continues to permit them to accept gifts of hospitality at a residence that is not an out-of-state vacation home.

Paragraph (c)(2)(B) permits legislators and legislative employees to accept discounts that are not generally available to the public or a large class of persons when on official state business but only if receipt of the discount benefits the state.

Paragraph (7) permits legislators, the personal staff of legislators, and committee staff to accept discounts and other gifts offered to welcome them to the capital city or in recognition of the beginning of the legislative session. Paragraph (7) does not apply to legislative employees who are employed by the Legislative Affairs Agency, the chief clerk or senate secretary, the legislative budget and audit committee, or the ombudsman.

Sec. 26 amends AS 24.60.080(d) to change the reporting deadline for gifts that are not related to a person's legislative status from April 15 to February 15. The subsection also requires disclosure of gifts of travel and hospitality to gather information of legislative concern (AS 24.60.080(c)(4)) only if the gift is valued at $250 or more. The current threshold is $100. Disclosure of gifts not connected to a person's legislative status must include only a description of the gift and the identity of the donor. Currently, the recipient is also required to disclose the value of gifts worth more than $250. The last sentence of the bill section requires the committee to forward copies of the disclosures concerning travel to gather legislative information to the Alaska Public Offices Committee.

Sec. 27 amends AS 24.60.080(e) in response to changes made to the campaign finance laws last year. There are now low budget campaigns that do not have to report political contributions. This bill section provides that a political contribution that is exempt from that reporting requirement would not have to be treated as a gift under the legislative ethics code.

Sec. 28 increases the gift threshold in AS 24.60.080(f) to $250 for gifts from foreign governments and adds that legislators and legislative employees may accept gifts from the federal or other state governments on behalf of the legislature.

Sec. 29 amends the definition of "immediate family" or "family member" for AS 24.60.080 to add that the relatives of the legislator's or legislative employee's spousal equivalent who fall within the categories listed in paragraph (5) are treated as relatives of the legislator or legislative employee for purposes of accepting gifts.

Sec. 30 adds new subsections to AS 24.60.080. Proposed subsection (h) permits legislators and legislative employees to solicit, accept, and receive gifts on behalf of recognized, nonpolitical charitable organizations in accordance with guidelines adopted by the committee.

Proposed subsection (i) requires disclosure of the receipt of inheritances from persons other than family members. The name of the person from whom the inheritance was received is to be disclosed but the value of the inheritance does not have to be reported. The disclosure is a public record.

Under proposed subsection (j), legislators, legislative committees other than the Ethics Committee, and legislative agencies may accept gifts of volunteer services so long as the person donating the services is not receiving compensation from another source for the services. However, the last sentence of subsection (j) makes clear that legislators and legislative employees may not accept a gift of services for nonlegislative purposes (unless the gift can be accepted under a different exception of the code). A legislative volunteer is required to comply with a substantial portion of the Legislative Ethics Code. However, the volunteer does not have to comply with the sections on contracts and leases (AS 24.60.040), state program or loan participation (AS 24.60.050), close economic associations (AS 24.60.070), nepotism (AS 24.60.090), or representation before state agencies (AS 24.60.100).

Proposed subsection (k) requires a legislator or legislative employee who knows or reasonable ought to know that a family member has received a gift because of the family member's connection to the legislator or employee to report the gift if it would have to be reported if it were given directly to the legislator or employee. For example, if a corporation gives a legislator's spouse airplane tickets and accommodations so that the spouse can attend a conference that the legislator is attending and if the gift is given because the recipient is married to the legislator (and not because the spouse is an expert on the topic of the conference), the legislator should disclose the gift.

Proposed subsection (l) states that in determining the value of a gift, the fair market value should be used.

Sec. 31 amends AS 24.60.085(a) to clarify that legislators and legislative employees may not receive significantly larger than usual payment for personal services but may charge less than the going rate for personal services if they wish.

Sec. 32 amends AS 24.60.100 to require that disclosures concerning representations before state agencies be made under the deadlines set out in AS 24.60.105. The existing provision prohibiting legislative employees from accepting honoraria for making a speech unrelated to the employee's employment is subject to challenge as an infringement of the employee's right of free speech as discussed in the description of bill section 82.

Sec. 33 enacts AS 24.60.105 to set deadlines for disclosures. The general deadline is February 15.

Sec. 34 amends AS 24.60.130(f) to clarify that public members of the Ethics Committee serve without compensation but are entitled to reimbursement for travel expenses and per diem for other state board and commission members.

Sec. 35 amends AS 24.60.130(h) to prohibit a legislator who supervises an employee who is the subject of an ethics complaint from taking part in the complaint proceedings

concerning that employee. Because of the changes proposed by AS 24.60.130(o) in sec. 36 of the bill, the amendment to AS 24.60.130(h) also deletes requirements for appointment of alternate committee members.

Sec. 36 amends AS 24.60.130 by adding a new subsection to direct the presiding officers to appoint legislative alternates to the Ethics Committee who will serve when the chair of the committee or a subcommittee designates them to serve because a regular member has been disqualified from participating in a complaint. The designation of the alternate to serve during a complaint proceeding is confidential to the same extent that the identity of the subject of a complaint is confidential.

Sec. 37 amends AS 24.60.134(a) to clarify that the prohibition against political activity that applies to public members of the committee, committee employees, and persons under contract to the committee extends to campaigns for federal, state, and local offices regardless of whether the campaign is partisan or nonpartisan, and applies to ballot measures and political party fund-raising events.

Sec. 38 amends AS 24.60.134 by adding a new subsection (c). Under proposed subsection (c), persons under contract to the ethics committee may request the committee to exempt some of the members of the partnership or corporation from having to comply with some or all of the prohibitions against political activity. The committee may grant the request if doing so will not lead to the appearance that the committee is subject to undue political influence and if there is no appearance of impropriety.

Sec. 39 amends AS 24.60.150(b) to permit the committee to adopt guidelines and provides that a person complying with the guidelines may not be penalized for having violated a conflicting provision of the statutes (if a later committee decides that the guidelines are wrong, for example).

Sec. 40 amends AS 24.60.160 to give the committee 60 days to respond to a request for an advisory opinion and to permit the committee to issue opinions on the request of about-to-be legislative employees. Under subsection (b), the committee deliberations concerning an advisory opinion are designated as executive sessions, not open to the requester.

Sec. 41 amends AS 24.60.170(a) to prohibit the committee from considering a complaint against all members of the legislature or all members of one house of the legislature. The amendment also permits the committee to reinstitute proceedings that were filed against a legislative employee and then closed when the employee stopped working for the legislature or against a former legislator if the employee or former legislator resumes legislative service within five years after the alleged violation.

Sec. 42 amends AS 24.60.170(b) to describe the required contents of a complaint and to require the committee to advise complainants that they may be asked to testify.

Sec. 43 amends AS 24.60.170(c) to permit the committee to assign complaints to a staff member for preliminary investigation. The staff member may recommend whether the complaint warrants further investigation and proceedings, based on the information and evidence contained in the complaint as supplemented by the complainant and the subject of the complaint. The section also permits the committee to dismiss frivolous complaints and complaints for which there is insufficient credible information to warrant further investigation. The committee is also permitted to request additional information from the complainant and the subject of the complaint. Proceedings under the subsection are confidential as are documents and dismissals. The subject of the complaint may waive confidentiality as provided in AS 24.60.170(l).

Sec. 44 amends AS 24.60.170(f) to provide that committee deliberations and votes on a dismissal order and decision are not open to the public or to the subject of the complaint.

Sec. 45 amends AS 24.60.170(g) to address how the committee and the legislature should handle a situation in which the subject of the complaint initially agrees to comply with corrective action but later fails to do so.

Sec. 46 makes changes to AS 24.60.170(h) to conform it to the changes made to AS 24.60.170(g).

Sec. 47 amends AS 24.60.170(i) to permit the committee to adopt procedures concerning discovery and the release of information. The committee may not impose restrictions on the subject of the complaint unless the complainant has agreed to be bound by similar restrictions.

Sec. 48 amends AS 24 60.170(l) to clarify that the confidential proceedings of the ethics committee are closed to other legislators and to prohibit the subject of the complaint from waiving the committee's confidentiality duty to others and right to deliberate confidentially.

Sec. 49 amends AS 24.60.174(a) to require the committee to include a timetable with its recommended sanctions and to permit the committee to recommend fines.

Sec. 50 adds a new subsection to AS 24.60.174 to require the House or the Senate to tell the ethics committee when it imposes a sanction other than expulsion on the subject of a complaint and to set a timetable for compliance. The committee may recommend additional action by the House or Senate if the timetable is not complied with.

Secs. 51 and 52 amend AS 24.60.176. Section 51 requires that appointing authorities of legislative employees enforce the sanctions they have imposed and report to the committee concerning the employee's compliance. Section 52 adds a definition of "appointing authority."

Sec. 53 adds AS 24.60.178 to set out a list of possible sanctions including, in paragraph (10), "any other appropriate measure." The new section also permits the committee to recommend that the subject of a complaint be required to pay all or a portion of the costs related to an investigation and adjudication.

Legislative Financial Disclosure

Sec. 54 amends AS 24.60.200 to require public members of the ethics committee and legislative employees who are compensated at Range 19 or above to file the same financial disclosure that legislators and legislative directors are now required to file. Legislative employees are included by using the phrase "legislative employee who is required to disclose" which is defined in bill sec. 61. Paragraph (1) removes the requirement to report gifts to APOC.

Sec. 55 conforms AS 24.60.210 to include those legislative employees who will be required to file disclosure statements and changes the due date on the report from April 15 to February 15. Legislative employees first hired after January 1 of a calendar year have 60 days to file their first report.

Secs. 56 and 57 amend AS 24.60.240 and 24.60.250 to reflect the addition of legislative employees who will be required to file disclosure statements.

Secs. 58 and 59 amend AS 24.60.260 to permit the ethics committee to impose a fine on persons who file late ethics disclosures.

Legislative Ethics Definitions

Sec. 60 amends the definition of "immediate fam. y" in AS 24.60.990(a)(5).

Sec. 61 adds definitions of "legislative employee who is required to disclose," "person subject to disclosure requirements," "spousal equivalent," and "state office" to the legislative ethics code.

State Personnel Board

Sec. 62 amends AS 39.25.070, setting out the powers and duties of the Personnel Board, to reflect the changes made to the Executive Branch Ethics Code by bill secs. 72 - 110.

Prohibiting Political Campaigning by State Employees

Sec. 63 adds a subsection to AS 39.25.160 to prohibit classified, partially exempt, and exempt state employees from campaigning on behalf of a political candidate on government time.

Conflict of Interest and Financial Disclosure

Sec. 64 amends AS 39.50.020 to add executive branch employees who are in the exempt or partially exempt service and are compensated at Range 19 or above to the list of public officials who must file financial disclosure statements. The definition of "public official" is amended in bill sec. 70 to include these employees.

Secs. 65 and 67 amend AS 39.50.030(a) and add subsections (d) - (f) to require state officials to disclose close economic associations. "State official" is defined in subsection (f) to have the same meaning as the term is given in the Executive Branch Ethics Act. Alternatively, to reach the same result, "state official" could be defined using terms defined for AS 39.50. The definition would read:

> "state official" means a public official, other than a judicial officer or an appointed or elected municipal officer, and a state employee subject to this chapter.

Sec. 66 amends AS 39.50.030(b) concerning the contents of financial disclosure statements. The threshold reporting level of income, beneficial interests from trusts, and loans is increased from $100 to $1,000. Gifts must be reported if the value of the gift exceeds $250. Contracts with the state entered into by a partnership or professional corporation of which the person filing the report is a member must be reported but state contracts entered into by the person's parents would no longer have to be reported. Similarly, natural resource leases of the person's parents would not have to be reported, but leases held by the person's spouse would be added to the reporting requirements.

Sec. 68 amends AS 39.50.070 to include reference to the new reporting requirements for certain Range 19 and above state employees.

Sec. 69 clarifies that the executive director of the Alaska Tourism Marketing Council is subject to penalties for failing to file the required reports.

Secs. 70 and 71 amend the definition of "public official" and add a definition of "another state employee subject to this chapter" to AS 39.50.200.

Executive Branch Ethics Act

Sec. 72 amends AS 39.52.010, setting out the purposes of the Executive Branch Ethics Act.

Sec. 73 removes reference in AS 39.52.110(c) to the Attorney General issuing opinions and reaching decisions to conform this section to bill sections 89 - 107, which remove the Attorney General's authority to issue advisory opinions and conduct hearings and replace the Attorney General with the Personnel Board.

Sec. 74 amends AS 39.52.120(b) to clarify that the governor and lieutenant governor may solicit and accept lawful campaign contributions and that public officers may accept lawful gifts.

Sec. 75 adds a new section to the Executive Branch Ethics Act to address misuse of official position by state officials. ("State official" is defined in bill sec. 110.) These provisions are generally based on AS 24.60.030 as that section is amended by this bill (see bill secs. 10 - 15).

Sec. 76 substitutes the Personnel Board for the Attorney General in AS 39.52.130(c), concerning advice on whether a gift is permitted or prohibited under the Executive Branch Ethics Act gift section.

Sec. 77 amends AS 39.52.130 by adding subsections addressing gifts that may be accepted and disclosure of gifts. These subsections are based on AS 24.60.080 as amended by this bill (see bill secs. 24 - 30).

Sec. 78 adds new sections to the Executive Branch Ethics Act.

Sec. 39.52.132 imposes fund-raising restrictions on state officials, including the governor and the lieutenant governor. This section is based on AS 24.60.031, as amended by bill sec. 16.

Sec. 39.52.134 prohibits state officials other than the governor and lieutenant governor from continuing in office after becoming a candidate for the legislature. This section is based on AS 24.60.033.

Sec. 39.52.136 requires state officials to abide by the open meetings law. This section is somewhat similar to AS 24.60.037.

Sec. 79 amends AS 39.52.150(d) to require that reports of personal or financial interests held by a public officer be reported to the Personnel Board as well as to the individual's designated supervisor.

Sec. 80 adds a new section concerning disclosure of close economic associations. This section is based on AS 24.60.070 as amended by bill secs. 22 and 23. Note that bill sec. 67 also requires state officials to disclose close economic associations to APOC. It is not necessary to have both sec. 67 and this section in the bill.

Sec. 81 amends AS 39.52.170(a) and (b) to prohibit state officials who have outside employment from seeking or accepting compensation that is significantly greater than the value of the services rendered. The amendment to subsection (a) is based on AS 24.60.085(a) as amended by bill sec. 31.

Sec. 82 amends AS 39.52.170 to prohibit state officials from accepting a payment for making appearances or speeches. This provision is based on AS 24.60.085(a)(2), which prohibits legislators and legislative employees from accepting payments for appearances and speeches. Both the existing legislative branch law and the proposed executive branch prohibition may be subject to challenge as an unconstitutional limitation on the right of free speech under the United States Supreme Court holding in United States v. National Treasury Employees Union, 513 U.S. 454, 115 S.Ct. 1003, 130 L.Ed.2d 964 (1995). In that case, the United States Supreme Court struck down a restriction on federal employees compensated below grade GS-16 accepting honoraria for speeches and articles not connected with their official duties. In the case of legislators and top executive branch and legislative branch officials it is possible that the state could justify the prohibition because of the state's interest in preventing the misuse or appearance of misuse of political power. That justification fails with respect to state officials and employees with less political power.

Secs. 83 - 85 amend AS 39.52.180, relating to restrictions employment after leaving state service. Currently, there is a two-year ban prohibiting a public officer who has left state service from accepting employment regarding a matter in which the officer participated personally and substantially. There is an exception permitting state agencies to contract with former public officers to act on behalf of the state, and the head of an agency may waive the prohibition as to other employers. The amendment made by bill sec. 84 prohibits waiver for the first year after a state official left state service.

Under subsection (d), enacted by bill sec. 85, a state agency may not enter into a contract with a former state official and the head of an agency may not waive the prohibition if the purpose of the proposed contract or representation includes lobbying before a state agency or before the state legislature.

Subsection (d) is not as clearly drafted as it might be. It would be clearer if it read

> (d) An agency may not**, under (b) of this section,** enter into a contract with a state official who has left state service and the head of an agency may not waive application of (a) of this section if the purpose of the proposed contract or representation includes lobbying before a state agency or the state legislature.

Sec. 86 amends AS 39.52.210 to require that potential violations of the Executive Branch Ethics Act be reported to the Personnel Board as well as to a public employee's designated supervisor. Subsection (c) permits state officials to request guidance concerning whether a public employee is involved in a matter that may have violated the Executive Branch Ethics Act and substitutes the Personnel Board for the Attorney General as the source of that guidance.

Sec. 87 amends AS 39.52.220 to require that members of boards or commissions disclose potential conflicts to the Personnel Board as well as to the member's designated supervisor. Board members may request guidance concerning whether they may have violated the Executive Branch Ethics Act from the Personnel Board.

Sec. 88 amends AS 39.52.230 to require supervisors to provide copies of reports concerning potential violations to the Personnel Board as well as to the officer who is the subject of the report.

Secs. 89 - 95 amend AS 39.52.240 - 39.52.260 to permit a state official as well as a designated supervisor to ask for an advisory opinion and to require the Personnel Board rather than the Attorney General to issue the opinion.

Secs. 96 - 106 make changes to AS 39.52.310 - 39.52.350, relating to complaint proceedings under the Executive Branch Ethics Act, to substitute the Personnel Board for the Attorney General in those proceedings.

Sec. 107 substitutes the Personnel Board for the Attorney General in AS 39.52.920, concerning review of agency policies that impose additional conflict of interest limitations on executive branch employees.

Sec. 108 amends AS 39.52.950 to limit the regulations that the Attorney General is authorized to adopt to those necessary to interpret and implement the provisions concerning complaints under the Executive Branch Ethics Act. The Personnel Board is given authority to adopt regulations for the rest of the chapter.

Secs. 109 and 100 define "immediate family member" for the Executive Branch Ethics Act and add a definition of "state official" to the Act.

Other statutes

Sec. 111 amends AS 44.62.175(a) to reflect the substitution of the Personnel Board for the Attorney General in the responsibility for advisory opinions.

Transition sections and effective dates

Sec. 112 is a temporary law section to allow public officers to rely on advisory opinions issued by the Attorney General under the current provisions of the Executive Branch Ethics Act.

Sec. 113 makes the changes to treatment of legislative office accounts and unused campaign contributions applicable to current legislators.

Secs. 114 and 115 make the changes to legislative office accounts retroactive to December 31, 1996.

Sec. 116 makes the rest of the Act effective January 1, 1998.

TC:pl
97-148.plm

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

Rules Committee

TO: Representative James, Chairman
House State Affairs Committee

FROM: Benjamin Brown, Legislative Aide to Senator Kelly

DATE: 5 February 1998

IN RE: analysis of proposed amendments to *CSSB 105 (Fin) am*

Amendment KA.36: *PUBLIC OFFICE EXPENSE TERM (POET) ACCOUNT RESERVES*

Sections 3 and 4 of this bill create a new option for disposal of unused campaign assets, called a legislative office account reserve in the current version of the bill. Campaign finance reform in 1996 made legislative office accounts an option for unused campaign assets. Last year, the Senate Finance Committee added the option of office account reserves to the list. Amendment KA.36 renames these legislative office account as Pubilc Office Expense Term (POET) accounts and POET account reserve. This will avoid confusion with the $6000 legisative office allowance managed by the Legislative Affairs Agency. Expenditures from POET accounts will be reportable to APOC under 15.13.110(a)(4).

The bill's current language allows legislators at the end of their terms to allocate the unexpended balance in a POET account reserve in the same variety of ways as is allowed when unused campaign assets are disposed of in the 90 days after an election, including paying campaign bills, making charitable donations, candidate defense funds and future election accounts. Amendment KA.36 prohibits money in a POET account reserve at the end of a legislator's term from being used for election-related purposes, but lets the legislator donate funds to a political party, the state's general fund, a municipality, the federal government, or to qualified charitable organizations not controlled by the candidate or a member of the candidate's immediate family. The amendment also allows repayment of contributions to contributors.

Amendment KA.2: *PROHIBITED CONTRIBUTIONS*

Section 2 of this bill prohibits a person or group from contributing to a candidate for state office while the legislature is convened in its regular session. This technical amendment deletes subsection (C)(1) as it is no longer necessary due to the change the bills makes from banning donations, "to a candidate for state legislature," to the broader prohibition against donating, "to a candidate for state office."

Amendment KA.3: *SPOUSAL/SPOUSAL EQUIVALENT LOBBYIST*

Section 8 of this bill prohibits lobbying activity by legislators' spouses and cohabitants. Section 22 of the bill requires legislative employees to disclose information on their spouse or spousal equivalent's lobbying clients and how much they were paid. Amendment KA.3 adds contingency language to the bill so that if the ban on spousal lobbying for legislators is found unconstitutional, there won't be a hole in the law. If the ban is struck down, a disclosure requirement for legislative spousal lobbying will go into effect 30 days after the later of either a final judgment, or the expiration of an appeal or final decision in an appeal. Disclosure requirements for legislators would then be identical to those the bill prescribes for legislative and executive branch employees.

Amendment KA.4: *STREAMLINING DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS IN THE EXECUTIVE BRANCH*

Section 80 of the bill creates a new section in the executive branch ethics act (39.52.155) which requires state officials to disclose to supervisors and APOC, the same close economic associations which legislators must currently disclose. Section 67 of the bill provides a way for state officials to report close economic associations along with their annual conflict of interest reports. Amendment KA.4 deletes Section 80 from the bill, eliminating a "double reporting" requirement. It also makes necessary changes in numerical references.

Amendment KA.10: *LEGISLATIVE ETHICS COMPLAINTS DURING ELECTION PERIODS*

This amendment adds a new bill section which suspends the Ethics Committee's jurisdiction on certain complaints for a period of time near an election. The amendment requires the committee to return complaints received against a legislator or legislative employee* who is a candidate for state office 45 days* prior to the primary election unless the candidate/subject of the complaint notifies within a specified period of time that he/she is waiving the suspension of jurisdiction. The amendment sets out subject and complainant notification

requirements for the committee, including a notification that the complainant may refile the complaint at the end of the moratorium period.

*Under the current ethics code (AS 24.60.033), legislative employees are prohibited from running for a legislative seat but are not prohibited from running for another elective office.

*The amendment sets out that the moratorium begins *on the later of* 45 days before a primary election in which a legislator or legislative employee is a candidate for state office *or* the day on which the individual files for state office. The moratorium ends at the close of the general or special election day or on the day the candidate withdraws or, for candidates who lose the primary, on the day the primary election is certified.

0-LS0074\KA.66
Cramer
3/2/98

Ben will revise this for the legislators to see - to include in CS!

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 105(FIN) am

Page 34, line 19, through page 59, line 19:

Delete all material and insert:

"* **Sec. 62.** AS 39.25.070 is amended to read:

Sec. 39.25.070. Powers and duties of personnel board. In addition to the other duties imposed by this chapter, the personnel board shall

(1) approve or disapprove amendments to the personnel rules in accordance with AS 39.25.140;

(2) consider and act upon recommendations for the extension of the partially exempt service and the classified service as provided in AS 39.25.130;

(3) hear and determine appeals by employees in the classified service as provided in AS 39.25.170;

(4) establish its own rules of procedure; two members constitute a quorum for the transaction of business and two affirmative votes are required for final action on matters acted upon by the board;

(5) elect a **chair** [CHAIRMAN] from its membership;

(6) have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to a hearing authorized by this chapter;

(7) employ staff members, who shall be in the classified service;

(8) **carry out its powers and duties under AS 39.52** [RETAIN INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c);

(9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS OF, HEARING OFFICERS IN ACCORDANCE WITH AS 39.52.350(c), 39.52.360, AND 39.52.370;

(10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS

this is void" Neil says.

REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 - 39.52.190; AND

(11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410, 39.52.440, AND 39.52.450].

* **Sec. 63.** AS 39.25.160(e) is amended to read:

(e) An employee in the classified, [OR] partially exempt, **or exempt** service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign any position held in the state service. The employee's position becomes vacant on the date the employee files a declaration of candidacy for state or national elective office. **This subsection does not apply to a justice or judge who is seeking retention, to the governor, to the lieutenant governor, to a member of the legislature, or to an employee seeking election as a delegate to a constitutional convention.**

* **Sec. 64.** AS 39.25.160 is amended by adding a new subsection to read:

(j) A state employee, whether in the classified, partially exempt, or exempt service, may not campaign on behalf of a political candidate on government time. This subsection does not prohibit the employees of the division of elections from carrying out duties related to elections or the members and employees of the commission on judicial conduct from carrying out duties relating to the evaluation of justices and judges.

* **Sec. 65.** AS 39.50.020 is amended to read:

Sec. 39.50.020. Report of financial and business interests. (a) A **public official as defined in AS 39.50.200 other than the governor or the lieutenant governor** [JUDICIAL OFFICER, COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A MUNICIPAL OFFICER] shall file a statement giving income sources and business interests, under oath and on penalty of perjury, within 30 days after taking office as a public official. Candidates for state

elective office other than a candidate who is subject to AS 24.60 shall file **the** [SUCH A] statement with the director of elections at the time of filing a declaration of candidacy or a nominating petition [,] or [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for elective municipal office shall file **the** [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that a previously accepted filing fee be returned and the candidate's name removed from the filing records. A statement shall also be filed by public officials no later than April 15 or 15 days after the person files a federal income tax return in each following year, whichever comes first. Persons who are members of boards or commissions not named in AS 39.50.200(b) are not required to file financial statements.

(b) **A public official other than an elected or appointed municipal officer** [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH, ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission. Candidates for the office of governor and lieutenant governor and, if the candidate is not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* **Sec. 66.** AS 39.50.030(a) is amended to read:

(a) Each statement **must** [SHALL] be an accurate representation of the financial affairs of the public official or candidate and **must** [SHALL] contain the same information for each member of the person's family, as specified in (b) **and (d)** of this section, to the extent that it is ascertainable by the public official or candidate.

[AN ASSET OR LIABILITY UNDER $500, HOUSEHOLD GOODS, AND PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

* **Sec. 67.** AS 39.50.030(b) is amended to read:

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

(1) the source of all income over **$1,000** [$100] during the preceding calendar year, including taxable and nontaxable capital gains, received by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person**, except that a source of income that is a gift must be included if the value of the gift exceeds $250**;

(2) the identity, by name and address, of each business in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned in any business during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(4) the identity and nature of each interest in real property, including an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person;

(5) the identity of each trust or other fiduciary relation in which the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person held a beneficial interest **exceeding $1,000** during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee **of more than $1,000** made to the person, the person's spouse or dependent child, or a nondependent child of the person who is living with that person, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person, the person's spouse or dependent child, or a nondependent child of the person who lives with that person owed **more than $1,000; this paragraph requires disclosure of a loan, loan**

guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than $1,000 at any time during the preceding calendar year [$500 OR MORE];

(7) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or dependent child, a nondependent child of the person who is living with that person, **a partnership or professional corporation of which the person is a member** [THE PERSON'S MOTHER OR FATHER], or a corporation in which the person or the person's spouse or children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar year by the person, the person's **spouse or** dependent child, a nondependent child of the person who is living with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse or children, or a combination of them, holds a controlling interest.

*** Sec. 68.** AS 39.50.030 is amended by adding new subsections to read:

(d) In addition to the requirements of (b) of this section, each statement filed by ~~an upper level~~ public officer under this chapter must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed so that a reader can ascertain the nature of the association. An upper level public officer shall disclose a close economic association with

(1) a supervisor who is not a public officer who has responsibility or authority either directly or indirectly over the person's employment, including preparing or reviewing performance evaluations, or granting or approving pay raises or promotions;

(2) a legislator;

(3) a public official who is not an appointed or elected municipal officer; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If an upper level public officer forms a close economic association after the date on which the public officer files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the public officer's designated supervisor within 60 days after the formation of the association.

(f) In this section,

(1) "close economic association" means a financial relationship that exists between an upper level public officer and some other person or entity, including a relationship where the public officer serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, business, or corporation;

(2) "designated supervisor" has the meaning given in AS 39.52.960;

(3) "public officer" has the meaning given in AS 39.52.960.

*** Sec. 69.** AS 39.50.070 is amended to read:

Sec. 39.50.070. Failure to report by <u>certain state employees</u> [DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS]. A person hired or appointed as the head or deputy head of, or director of a division within, a department in the executive branch **<u>or an upper level public officer</u>** who refuses or fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature for confirmation, until the person complies. The person may not be confirmed, hired, or appointed, and the person forfeits and may not be paid any salary, per diem, or travel expenses, until the person complies. If, after installation as the head or deputy head of, or director of a division within, a department, **<u>or, for upper level public officers, after beginning employment in the position subject to this chapter,</u>** the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date of the report.

*** Sec. 70.** AS 39.50.080 is amended to read:

Sec. 39.50.080. Failure to report by a commission or board <u>chair</u>

[CHAIRMAN] or member. A person hired or appointed as a commissioner, **chair,** [CHAIRMAN] or member of a state commission or board specified in AS 39.50.200(b)**, including the executive director of the Alaska Tourism Marketing Council,** who fails to file a report of financial interests required under this chapter when due may not hold office, and the person's name may not be submitted to the legislature until the person complies. The person may not be confirmed, and the person forfeits and may not be paid any salary, per diem or travel expenses, until the person complies. If, after being seated as commissioner, **chair,** [CHAIRMAN] or member of **the** [SUCH A] commission or board the person refuses or fails to file the required statement when due, the person is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100 nor more than $1,000 and shall be removed from office if compliance is not made within 30 days after the due date.

*** Sec. 71.** AS 39.50.200(a)(8) is amended to read:

(8) "public official" means a judicial officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of [, OR DIRECTOR OF A DIVISION,] a department in the executive branch **or as the director of a division in a department in the executive branch,** [AN ASSISTANT TO THE GOVERNOR,] chair or member of a state commission or board, [STATE INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE,] the executive director of the Alaska Tourism Marketing Council, **an upper level public officer,** and each appointed or elected municipal officer;

*** Sec. 72.** AS 39.50.200(a) is amended by adding a new paragraph to read:

(10) "upper level public officer" has the meaning given in AS 39.52.960 but does not include a state officer or employee who is otherwise included in the definition of "public official" under this section.

*** Sec. 73.** AS 39.52.010(a) is amended to read:

(a) It is declared **that**

(1) [THAT] high moral and ethical standards among public officers in the executive branch are essential **to assure the trust, respect, and confidence of the people of this state;** [TO THE CONDUCT OF FREE GOVERNMENT; AND]

(2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics for the guidance of public officers will

(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;

(B) [, WILL] improve standards of public service; and

(C) [, AND WILL] promote and strengthen the faith and confidence of the people of this state in their public officers;

(3) [. IT IS FURTHER DECLARED THAT] holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;

(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest;

(5) in order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered fairly without bias or favoritism;

(6) no code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

(7) compliance with a code of ethics is an individual responsibility; thus all who serve the state have a solemn responsibility to avoid improper conduct and prevent improper behavior by colleagues and subordinates.

*** Sec. 74.** AS 39.52.110(c) is amended to read:

(c) **Designated** [THE ATTORNEY GENERAL, DESIGNATED] supervisors, hearing officers, and the personnel board must be guided by this section when issuing opinions and reaching decisions.

*** Sec. 75.** AS 39.52.120(b) is amended to read:

(b) A public officer may not

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

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate **or require another public officer to perform services for the private benefit of the public officer at any time;**

(6) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for partisan political purposes; this paragraph does not prohibit use of the governor's house for meetings to discuss political strategy and does not prohibit use of the communications equipment in the governor's house so long as there is no special charge to the state for the use.

*** Sec. 76.** AS 39.52.120 is amended by adding new subsections to read:

(d) Unless approved by the personnel board, during a campaign period for an election in which the public officer is a candidate, a public officer may not use or permit another to use state funds to print or distribute a political mass mailing to individuals eligible to vote for the candidate. This subsection does not apply to the election pamphlet under AS 15.58. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or the general or special election;

(2) a mass mailing is considered to be political if it is about the

(A) public officer who is a candidate for election to a federal, state, or municipal elective office or to the board of a telephone or electric cooperative;

(B) another person who is a candidate for election to a federal, state, or municipal elective office or to the board of a telephone or electric cooperative.

(e) In this section, when determining whether a public officer is considered to be performing a task on government time, the personnel board shall consider the public officer's work schedule as set by the public officer's immediate supervisor, if any. A public officer other than the governor and lieutenant governor who engages in political campaign activities other than incidental campaign activities as described in this subsection during the work day shall take leave for the period of campaigning. The performance of regular governmental duties that include incidental handling of campaign-related items or inquiries, including receiving and opening mail and answering the telephone, is not considered performance of political campaign activities for purposes of this subsection so long as the political campaign-related activities are kept to a minimum.

*** Sec. 77.** AS 39.52.130(b) is amended to read:

(b) Notice of the receipt by a public officer of a gift with a value in excess of **$150** [$50], including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt

(1) if the public officer may take or withhold official action that affects the giver**; or**

(2) if the gift is connected to the public officer's governmental status.

*** Sec. 78.** AS 39.52.130(c) is amended to read:

(c) In accordance with AS 39.52.240, a designated supervisor **or an upper level public officer** may request guidance from the **personnel board** [ATTORNEY GENERAL] concerning whether acceptance of a particular gift is prohibited.

*** Sec. 79.** AS 39.52.130 is amended by adding new subsections to read:

(e) A public officer who, on behalf of the state, accepts a gift from another government or from an official of another government shall, within 60 days after its receipt, deliver it to the Office of the Governor. The Office of the Governor shall determine the appropriate disposition of the gift. In this subsection, "another

government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.

(f) A public officer who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the public office held by the public officer shall report the receipt of the gift by the family member to the public officer's designated supervisor if the gift would have to be reported under this section if it had been received by the public officer or if receipt of the gift by a public officer would be prohibited under this section.

(g) In this section, unless the personnel board determines that a different method of determining value is more appropriate in the circumstances, the value of a gift shall be determined by using the fair market value of the gift to the extent that the fair market value can be determined.

* **Sec. 80.** AS 39.52 is amended by adding a new section to read:

Sec. 39.52.132. Restrictions on fund raising. (a) The governor, lieutenant governor, or a commissioner may not

(1) on a day when either house of the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a candidate for state office; however, the governor or the lieutenant governor may solicit or accept a contribution, promise, or pledge for a campaign for state office that occurs during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office;

(2) accept money from an event held on a day when either house of the legislature is in regular or special session if a substantial purpose of the event is to raise money on behalf of the governor or lieutenant governor for a campaign for state office; however, this paragraph does not prohibit the governor or lieutenant governor from accepting money from an event held during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office; or

(3) expend money in a campaign for state office that was raised by or on behalf of the governor or lieutenant governor under a declaration of candidacy or a general letter of intent to become a candidate for public office if the money was raised on a day when either house of the legislature was in a legislative session;

however, this paragraph does not apply to money raised during the 90 days immediately preceding an election in which the governor or lieutenant governor is a candidate for state office.

(b) In this section,

(1) "commissioner" means the head of a principal executive department in the state government;

(2) "contribution" has the meaning given in AS 15.13.400.

* **Sec. 81.** AS 39.52.170 is amended by adding a new subsection to read:

(c) The head of a principal executive department of the state may not engage in or accept employment for compensation outside the agency that the executive head serves.

* **Sec. 82.** AS 39.52.180(c) is amended to read:

(c) The head of an agency may waive application of (a) of this section after determining that representation by a former public officer is not adverse to the public interest. The waiver must be in writing and a copy of the waiver must be provided to the **personnel board** [ATTORNEY GENERAL] for approval or disapproval.

* **Sec. 83.** AS 39.52.180 is amended by adding a new subsection to read:

(d) A former governor, lieutenant governor, or head of a principal department in the executive branch may not engage in activity as a lobbyist under AS 24.45 for a period of one year after leaving service as the governor, lieutenant governor, or department head, as appropriate. This subsection does not prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the Alaska Public Offices Commission.

* **Sec. 84.** AS 39.52.210(c) is amended to read:

(c) **An upper level public officer who is a public employee or a** [A] designated supervisor may request guidance from the **personnel board** [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a public employee is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 85.** AS 39.52.220(b) is amended to read:

(b) The **member of the board or commission, the** designated supervisor, or the board or commission may request guidance from the **personnel board**

[ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

* **Sec. 86.** AS 39.52.240(a) is amended to read:

(a) Upon the written request of **an upper level public officer,** a designated supervisor, or a board or commission, the **personnel board** [ATTORNEY GENERAL] shall issue opinions interpreting this chapter. The requester must supply any additional information requested by the **personnel board** [ATTORNEY GENERAL] in order to issue the opinion. Within 60 days after receiving a complete request, the **personnel board** [ATTORNEY GENERAL] shall issue an advisory opinion on the question.

* **Sec. 87.** AS 39.52.240(b) is amended to read:

(b) The **personnel board** [ATTORNEY GENERAL] may offer oral advice if delay would cause substantial inconvenience or detriment to the requesting party.

* **Sec. 88.** AS 39.52.240(c) is amended to read:

(c) **In the case of a request for advice from a designated supervisor or a board or commission, the** [THE] designated supervisor or **the** [A] board or commission shall make a written determination based on the advice of the **personnel board** [ATTORNEY GENERAL]. If the advice [OF THE ATTORNEY GENERAL] provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 - 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

* **Sec. 89.** AS 39.52.240(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may reconsider, revoke, or modify an advisory opinion at any time, including upon a showing that material facts were omitted or misstated in the request for the opinion.

* **Sec. 90.** AS 39.52.240(h) is amended to read:

(h) The **personnel board** [ATTORNEY GENERAL] shall publish in the Alaska Administrative Journal, with sufficient deletions to prevent disclosure of the persons whose identities are confidential under (g) of this section, the advisory

opinions issued under this section that the **personnel board** [ATTORNEY GENERAL] determines to be of major import because of their general applicability to executive branch officers.

* **Sec. 91.** AS 39.52.250 is amended to read:

Sec. 39.52.250. Advice to former public officers. (a) A former public officer may request, in writing, an opinion from the **personnel board** [ATTORNEY GENERAL] interpreting this chapter. The **personnel board** [ATTORNEY GENERAL] shall give advice in accordance with AS 39.52.240(a) or (b) and publish opinions in accordance with AS 39.52.240(h).

(b) A former public officer is not liable under this chapter for any action carried out in accordance with the advice of the **personnel board** [ATTORNEY GENERAL] issued under this section, if the public officer fully disclosed all relevant facts reasonably necessary to the issuance of the advice.

* **Sec. 92.** AS 39.52.260 is amended to read:

Sec. 39.52.260. Designated supervisor's report and personnel board [ATTORNEY GENERAL] review. (a) A designated supervisor shall quarterly submit a report to the **personnel board that** [ATTORNEY GENERAL WHICH] states the facts, circumstances, and disposition of any disclosure made under AS 39.52.210 - 39.52.240. **In the case of a determination under AS 39.52.210 concerning an upper level public officer or a determination under AS 39.52.220 concerning a member of a board or commission, the designated supervisor shall submit a copy of the supervisor's determination to the personnel board within five working days after having made the determination.**

(b) The **personnel board** [ATTORNEY GENERAL] shall review determinations reported under this section. The **personnel board** [ATTORNEY GENERAL] may request additional information from a supervisor concerning a specific disclosure and its disposition.

(c) The report prepared under this section is confidential and not available for public inspection unless formal proceedings under AS 39.52.350 are initiated based on the report. If formal proceedings are initiated, the relevant portions of the report are public documents open to inspection. The **personnel board** [ATTORNEY GENERAL] shall, however, make available to the public a summary of the reports

received under this section, with sufficient deletions to prevent disclosure of a person's identity.

* **Sec. 93.** AS 39.52.260 is amended by adding a new subsection to read:

(d) A designated supervisor shall submit to the personnel board a copy of each report that the supervisor receives from an upper level public officer that was made under the following:

(1) receipt of a gift by a family member under AS 39.52.130(f);

(2) a personal or financial interest in a state grant, contract, lease, or loan under AS 39.52.150(d);

(3) outside services or employment under AS 39.52.170(b);

(4) declaration of potential violations by members of boards or commissions under AS 39.52.220(a);

(5) reporting of potential violations under AS 39.52.230.

* **Sec. 94.** AS 39.52 is amended by adding a new section to article 3 to read:

Sec. 39.52.270. Disclosure statements. (a) A public officer required to file a disclosure statement under this chapter shall meet the requirements of this subsection in making the disclosure. When the public officer files a disclosure statement under this chapter, the public officer signing the disclosure shall certify that, to the best of the public officer's knowledge, the statement is true, correct, and complete. The disclosure must state that, in addition to any other penalty or punishment that may apply, a person who submits a false statement that the person does not believe to be true is punishable under AS 11.56.200 - 11.56.240.

(b) A designated supervisor who receives a disclosure statement under AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that there is a possibility that the activity or situation reported in a disclosure statement filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240. Failure of the designated supervisor to proceed under AS 39.52.210 - 39.52.240 does not relieve the public officer of the public officer's obligations under those statutes.

(c) In this section, "disclosure statement" means a report or written notice filed under AS 39.52.110 - 39.52.220.

* **Sec. 95.** AS 39.52.310(a) is amended to read:

(a) The **personnel board** [ATTORNEY GENERAL] may initiate a complaint, or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or 39.52.260.

*** Sec. 96.** AS 39.52.310(b) is amended to read:

(b) A person may file a complaint with the **personnel board** [ATTORNEY GENERAL] regarding the conduct of a current or former public officer. A complaint must be in writing, be signed under oath, and contain a clear statement of the details of the alleged violation.

*** Sec. 97.** AS 39.52.310(c) is amended to read:

(c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the governor, lieutenant governor, or the attorney general, the [MATTER SHALL BE REFERRED TO THE PERSONNEL BOARD. THE] personnel board shall retain independent counsel who shall act in the place of the attorney general under **AS 39.52.350** [(d) - (i) OF THIS SECTION, AS 39.52.320 - 39.52.350,] and 39.52.360(c) and (d).

*** Sec. 98.** AS 39.52.310(d) is amended to read:

(d) The **personnel board** [ATTORNEY GENERAL] shall review each complaint filed, to determine whether it is properly completed and contains allegations which, if true, would constitute conduct in violation of this chapter. The **personnel board** [ATTORNEY GENERAL] may require the complainant to provide additional information before accepting the complaint. If the **personnel board** [ATTORNEY GENERAL] determines that the allegations in the complaint do not warrant an investigation, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint with notice to the complainant and the subject of the complaint.

*** Sec. 99.** AS 39.52.310(e) is amended to read:

(e) The **personnel board** [ATTORNEY GENERAL] may refer a complaint to the subject's designated supervisor for resolution under AS 39.52.210 or 39.52.220.

*** Sec. 100.** AS 39.52.310(f) is amended to read:

(f) If the **personnel board** [ATTORNEY GENERAL] accepts a complaint for investigation, the **personnel board** [ATTORNEY GENERAL] shall serve a copy of the complaint upon the subject of the complaint, for a response. The **personnel board** [ATTORNEY GENERAL] may require the subject to provide, within 20 days

after service, full and fair disclosure in writing of all facts and circumstances pertaining to the alleged violation. Misrepresentation of a material fact in a response to the **personnel board** [ATTORNEY GENERAL] is a violation of this chapter. Failure to answer within the prescribed time, or within any additional time period that may be granted in writing by the **personnel board** [ATTORNEY GENERAL], may be considered an admission of the allegations in the complaint.

* **Sec. 101.** AS 39.52.310(g) is amended to read:

(g) If a complaint is accepted under (f) of this section, the **personnel board** [ATTORNEY GENERAL] shall investigate to determine whether a violation of this chapter has occurred. At any stage of an investigation or review, the **personnel board** [ATTORNEY GENERAL] may issue a subpoena under AS 39.52.380.

* **Sec. 102.** AS 39.52.320 is amended to read:

Sec. 39.52.320. Dismissal before formal proceedings. If, after investigation, it appears that there is no probable cause to believe that a violation of this chapter has occurred, the **personnel board** [ATTORNEY GENERAL] shall dismiss the complaint and [PREPARE AND FILE A CONFIDENTIAL SUMMARY WITH THE PERSONNEL BOARD. THE ATTORNEY GENERAL] shall communicate disposition of the matter promptly to the complainant and to the subject of the complaint.

* **Sec. 103.** AS 39.52.330 is amended to read:

Sec. 39.52.330. Corrective or preventive action. After determining that the conduct of the subject of a complaint does not warrant a hearing under AS 39.52.360, the **personnel board** [ATTORNEY GENERAL] shall recommend action to correct or prevent a violation of this chapter. The **personnel board** [ATTORNEY GENERAL] shall communicate the recommended action to the complainant and the subject of the complaint. The subject of the complaint shall comply with the **personnel board's** [ATTORNEY GENERAL'S] recommendation.

* **Sec. 104.** AS 39.52.340(a) is amended to read:

(a) Before the initiation of formal proceedings under AS 39.52.350, **the complaint and all other documents and** information regarding an investigation conducted under this chapter [,] or obtained by the **personnel board** [ATTORNEY GENERAL] during the investigation **are** [, IS] confidential **and not subject to**

inspection by the public. All meetings of the personnel board concerning the complaint and investigation before the determination of probable cause are closed to the public. If, in the course of an investigation or probable cause determination, the personnel board finds evidence of probable criminal activity, the personnel board shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the personnel board finds evidence of a probable violation of AS 15.13, the personnel board shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission. The **personnel board** [ATTORNEY GENERAL AND ALL PERSONS CONTACTED DURING THE COURSE OF AN INVESTIGATION] shall maintain confidentiality regarding the existence of the investigation. [A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS A MISDEMEANOR.]

* **Sec. 105.** AS 39.52.340(c) is amended to read:

(c) The subject of the complaint may, in writing, waive the confidentiality protection of this section. **However, the subject of the complaint may not waive the confidentiality duty the personnel board owes to others and may not require the personnel board to deliberate in public**.

* **Sec. 106.** AS 39.52.350 is amended to read:

Sec. 39.52.350. Probable cause for hearing. (a) If the **personnel board** [ATTORNEY GENERAL] determines that there is probable cause to believe that a knowing violation of this chapter or a violation that cannot be corrected under AS 39.52.330 has occurred, or that the subject of a complaint failed to comply with a recommendation for corrective or preventive action, the **personnel board** [ATTORNEY GENERAL] shall initiate formal proceedings by **requesting the attorney general to serve** [SERVING] a copy of an accusation upon the subject of the accusation. The accusation shall specifically set out the alleged violation. After service, the accusation is a public document open to inspection. Except as provided in AS 39.52.370(c), all subsequent proceedings are open to the public.

(b) The subject of the accusation shall file an answer with the **personnel board and the** attorney general within 20 days after service of the accusation, or at a later time specified by the **personnel board. The answer must be signed under**

oath [ATTORNEY GENERAL]. If the subject of the accusation fails to timely answer, the allegations are considered admitted.

(c) If the subject of the accusation denies that a violation of this chapter has occurred, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board **may determine to conduct a hearing or to** [, WHICH SHALL] appoint a hearing officer to conduct a hearing.

(d) If the subject of the accusation admits a violation of this chapter, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board **shall** [TO] impose penalties under AS 39.52.410, 39.52.440, and 39.52.450, as appropriate.

* **Sec. 107.** AS 39.52.360 is amended by adding a new subsection to read:

(i) If the personnel board has determined that it will conduct the hearing itself under AS 39.52.350(c), the powers and duties given to a hearing officer in this section shall be exercised by the personnel board, and references in this section to the hearing officer shall be considered to refer to the personnel board.

* **Sec. 108.** AS 39.52.370(a) is amended to read:

(a) Within 10 days after receipt of the [HEARING OFFICER'S] report **of the hearing**, either party may protest the [OFFICER'S] findings of fact, conclusions of law, and recommendation [,] and, if a protest is filed, shall serve a copy on the other party. Oral argument before the personnel board must be provided only if requested by either party. The board chair shall set the deadline for submission of requests for oral argument [,] and set the dates for submission of briefs and oral argument before the board, if requested.

* **Sec. 109.** AS 39.52.920 is amended to read:

Sec. 39.52.920. Agency policies. Subject to the review and approval of the **personnel board** [ATTORNEY GENERAL], an agency may adopt a written policy that, in addition to the requirements of this chapter, limits the extent to which a public officer in the agency or an administrative unit of the agency may

(1) acquire a personal interest in an organization or a financial interest in a business or undertaking that may benefit from official action taken or withheld by the agency or unit;

(2) have a personal or financial interest in a state grant, contract, lease,

or loan administered by the agency or unit; or

(3) accept a gift.

* **Sec. 110.** AS 39.52.950 is amended to read:

Sec. 39.52.950. Regulations. The attorney general may adopt regulations under **AS 44.62 (** [THE] Administrative Procedure Act**)** necessary to interpret and implement **the provisions concerning complaints under** this chapter. **The personnel board may adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to interpret and implement the other provisions of this chapter.**

* **Sec. 111.** AS 39.52.960(11) is amended to read:

(11) "immediate family member" means

(A) the spouse of the person;

(B) another person cohabiting with the person in a conjugal relationship that is not a legal marriage;

(C) a child, including a stepchild and an adoptive child, of the person;

(D) a parent, sibling, grandparent, aunt, or uncle of the person; and

(E) a parent, sibling, grandparent, aunt, or uncle of the person's spouse [A PUBLIC OFFICER'S SPOUSE, A RELATION BY BLOOD WITHIN AND INCLUDING THE SECOND DEGREE OF KINDRED, AND A REGULAR MEMBER OF THE OFFICER'S HOUSEHOLD];

* **Sec. 112.** AS 39.52.960 is amended by adding a new paragraph to read:

(23) "upper level public officer" means the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch or as the director of a division in a department in the executive branch, the chair or member of a state commission or board, as defined in AS 39.50.200(b), the executive director of the Alaska Tourism Marketing Council, an assistant to the governor or the lieutenant governor, a state investment officer, the state comptroller in the Department of Revenue, and a state employee who is not otherwise listed in this definition who is employed by an agency in the executive

branch of state government in the exempt or partially exempt service and who is compensated at Range 19A or above on the state salary schedule under AS 39.27.011 or at more than $4,200 per month; however, "upper level public officer" does not include a member of a collective bargaining unit composed of state employees.

* **Sec. 113.** AS 44.62.175(a) is amended to read:

(a) The lieutenant governor shall publish or contract for the publication of the Alaska Administrative Journal. The journal shall be published weekly. The journal must include

(1) notices of proposed actions given under AS 44.62.190(a);

(2) notices of state agency meetings required under AS 44.62.310(e), even if the meeting has been held;

(3) notices of solicitations to bid issued under AS 36.30.130;

(4) notices of state agency requests for proposals issued under AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; AS 38.05.120; and AS 43.40.010;

(5) executive orders and administrative orders issued by the governor;

(6) written delegations of authority made by the governor or the head of a principal department under AS 44.17.010;

(7) the text or a summary of the text of a regulation or order of repeal of a regulation for which notice is given under AS 44.62.190(a), including an emergency regulation or repeal whether or not it has taken effect;

(8) a summary of the text of recently issued formal opinions and memoranda of advice of the attorney general;

(9) a list of vacancies on boards, commissions, and other bodies whose members are appointed by the governor; and

(10) in accordance with AS 39.52.240(h), advisory opinions of the **personnel board** [ATTORNEY GENERAL]."

Renumber internal references to bill sections in accordance with this amendment. Below are all internal bill section references in this bill:

Page 59, line 21

Page 59, line 28

Page 60, line 1

Page 60, line 3

Page 60, line 4

Page 60, line 6