

**HB**

**109**

**2/22/07**

**Rep. Lynn opening remarks for Tues, Feb. 27, 2007**

**We have before us today the omnibus bill on ethics, House Bill 109. As I said previously, it is my intent to move this bill as expeditiously as possible on to the next committee, and by that, I mean today or Thursday.**

**I want to pick up where we left off at the last meeting, with the discussion on electronic filing in Title 15, and then continue Title by Title, Section by Section, and entertain amendments that pertain only to that section under consideration. There will be one exception to this procedure, which will be explained later.**

**When we hear each amendment, we will have a short discussion, if there is an objection. I want to avoid amendments to amendments. After the short discussion, we'll have a simple choice of three possible actions: remove the objection, withdraw the amendment, or to vote.**

**Then we'll proceed to the next amendment, and move on. Once we move on to the next title, I don't want any more amendments for the Title we've finished dealing with. Any future amendments on the already amended and completed titles, however wonderful they might be, can be taken care of in the next referral committee, House Judiciary. Three of us on this committee also serve on the Judiciary Committee, and we can let the chair of that committee deal with more amendments.**

**During the sub-committee process, we've had ample opportunity to discuss almost every issue and every amendment we are looking at now. So, I want to move ahead effectively, and move this bill as soon as possible – not chew the cud *ad infinitum ad naseum*.**

**The ethics subcommittee chairman, Rep. John Coghill, did a fine job of presenting the CS for HB 109 at our last meeting so I'd like to get right back to the amendment process. I want to begin where we left off, with state attorney Dave Jones and Brooke Miles addressing a Title 15 amendment on electronic filing.**

**But before we do that, I'd like to ask for public testimony online or from anyone in the committee room, so we can keep any testimony in mind before we vote. Public testimony will be limited to 3 minutes. OK, let's get with it.**

HOUSE STATE  
AFFAIRS  
COMMITTEE  
PACKET

February 22, 2007

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**HB 109**  
*Disclosures and Ethics*

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25-GH1059\K

Wayne

2/21/07

**CS FOR HOUSE BILL NO. 109( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

BY

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**  
**FOR AN ACT ENTITLED**

1 "An Act relating to campaign financing and ethics in state and municipal government,  
2 to lobbying, and to employment, service on governing boards, and disclosures by certain  
3 public officers and employees who leave state service or leave certain positions in state  
4 government; and providing for an effective date."

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

6 \* Section 1. AS 15.13.040(g) is amended to read:

7 (g) The provisions of (a) and (i) of this section do not apply to a delegate to a  
8 constitutional convention, a judge seeking electoral confirmation, or a candidate  
9 for election to a municipal office under AS 15.13.010, if that delegate, iudge, or  
10 [IF A] candidate

11 (1) indicates, on a form prescribed by the commission, an intent not to  
12 raise and not to expend more than \$5,000 in seeking election to office, including both  
13 the primary and general elections;

14 (2) accepts contributions totaling not more than \$5,000 in seeking

1 election to office, including both the primary and general elections; and

2 (3) makes expenditures totaling not more than \$5,000 in seeking  
3 election to office, including both the primary and general elections.

4 \* Sec. 2. AS 15.13.040(m) is amended to read:

5 (m) The commission may request that the information required under this  
6 chapter be submitted electronically but shall accept any information required under  
7 this chapter that is typed in clear and legible black typeface or hand-printed in dark ink  
8 on paper in a format approved by the commission or on forms provided by the  
9 commission and that is filed with the commission. However, a candidate for  
10 governor or lieutenant governor shall submit the information required under this  
11 chapter electronically, but the commission may, when extraordinary  
12 circumstances warrant an exception, accept any information required from these  
13 candidates under this chapter that is typed in clear and legible black typeface or  
14 hand-printed in dark ink on paper in a format approved by the commission or on  
15 forms provided by the commission and that is filed with the commission.

16 \* Sec. 3. AS 24.45.031(a) is amended to read:

17 (a) In addition to its other duties under this chapter, the commission shall

18 (1) prescribe the forms for registration, reports, statements, notices,  
19 and other documents required by this chapter;

20 (2) prepare and publish instructions setting out the methods of  
21 accounting, bookkeeping, and preservation of records required to facilitate compliance  
22 with and enforcement of this chapter and explaining the duties of persons subject to  
23 the provisions of this chapter; the instructions shall be updated periodically;

24 (3) provide assistance to persons in complying with the provisions of  
25 this chapter;

26 (4) prepare and publish a biennial report of its activities, findings, and  
27 recommendations under this chapter, which shall be made available to the governor,  
28 legislature, and to the public by February 1 of each odd-numbered calendar year; the  
29 commission shall notify the legislature that the report is available;

30 (5) report suspected violations of this chapter to the attorney general;

31 (6) administer an annually updated training course that promotes

1           **adherence to high ethical standards of professional conduct and teaches lobbyists**  
2           **and employers of lobbyists how to comply with laws that regulate lobbyists.**

3           \* Sec. 4. AS 24.45.041(b) is amended to read:

4                   (b) The registration form prescribed by the commission must include

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

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

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

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

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

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

24                          (7) the identification of a [LEGISLATOR,] legislative employee [,] or  
25                          public official to whom the lobbyist is married or who is the domestic partner of the  
26                          lobbyist; in this paragraph, "domestic partner" has the meaning given in  
27                          AS 39.50.200(a);

28                          (8) **a sworn affirmation by the lobbyist that the lobbyist has**  
29                          **completed the training course administered by the commission under**  
30                          **AS 24.45.031(a) within the 12-month period preceding the date of registration or**  
31                          **registration renewal under this chapter, except this paragraph does not apply to**

1 a person who is a representational lobbyist as defined under regulations of the  
2 commission.

3 \* Sec. 5. AS 24.45.121 is amended by adding a new subsection to read:

4 (d) The spouse or domestic partner of a legislator may not engage in an  
5 activity as a lobbyist. This subsection does not prohibit the spouse or domestic partner  
6 from acting as a volunteer lobbyist under AS 24.45.161 or a representational lobbyist  
7 as defined under regulations of the commission.

8 \* Sec. 6. AS 24.60.020(a) is amended to read:

9 (a) Except as otherwise provided in this subsection, this chapter applies to a  
10 member of the legislature, to a legislative employee, and to public members of the  
11 committee. This chapter does not apply to

12 (1) a former member of the legislature or to a person formerly  
13 employed by the legislative branch of government unless a [THE] provision of this  
14 chapter specifically states that it applies;

15 (2) a person elected to the legislature who at the time of election is not  
16 a member of the legislature.

17 \* Sec. 7. AS 24.60.030(a) is amended to read:

18 (a) A legislator or legislative employee may not

19 (1) solicit, agree to accept, or accept a benefit other than official  
20 compensation for the performance of public duties; this paragraph may not be  
21 construed to prohibit lawful solicitation for and acceptance of campaign contributions,  
22 solicitation or acceptance of contributions for a charity event, as defined in  
23 AS 24.60.080(c)(10), or the acceptance of a lawful gratuity under AS 24.60.080;

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

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

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

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

6 (D) the legislative council, notwithstanding AS 24.05.190,  
7 from designating a public facility for use by legislators and legislative  
8 employees for health or fitness purposes; when the council designates a facility  
9 to be used by legislators and legislative employees for health or fitness  
10 purposes, it shall adopt guidelines governing access to and use of the facility;  
11 the guidelines may establish times in which use of the facility is limited to  
12 specific groups;

13 (E) a legislator from using the legislator's private office in the  
14 capital city during a legislative session, and for the 10 days immediately before  
15 and the 10 days immediately after a legislative session, for nonlegislative  
16 purposes if the use does not interfere with the performance of public duties and  
17 if there is no cost to the state for the use of the space and equipment, other than  
18 utility costs and minimal wear and tear, or the legislator promptly reimburses  
19 the state for the cost; an office is considered a legislator's private office under  
20 this subparagraph if it is the primary space in the capital city reserved for use  
21 by the legislator, whether or not it is shared with others;

22 (F) a legislator from use of legislative employees to prepare  
23 and send out seasonal greeting cards;

24 (G) a legislator from using state resources to transport  
25 computers or other office equipment owned by the legislator but primarily used  
26 for a state function;

27 (H) use by a legislator of photographs of that legislator;

28 (I) reasonable use of the Internet by a legislator or a legislative  
29 employee except if the use is for election campaign purposes;

30 (J) a legislator or legislative employee from soliciting,  
31 accepting, or receiving a gift on behalf of a recognized, nonpolitical charitable

1 organization in a state facility;

2 (K) a legislator from sending any communication in the form of  
3 a newsletter to the legislator's constituents unless the communication is

4 (i) sent during the 30-day period immediately  
5 preceding a state election; or

6 (ii) [ , EXCEPT] a communication expressly advocating  
7 the election or defeat of a candidate or a newsletter or material in a  
8 newsletter that is clearly only for the private benefit of a legislator or a  
9 legislative employee; or

10 (L) full participation in a charity event approved in advance by  
11 the Alaska Legislative Council;

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

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

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

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

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

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

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

5 (E) a legislator from using the legislator's private office in the  
6 capital city during a legislative session, and for the 10 days immediately before  
7 and the 10 days immediately after a legislative session, for nonlegislative  
8 purposes if the use does not interfere with the performance of public duties and  
9 if there is no cost to the state for the use of the space and equipment, other than  
10 utility costs and minimal wear and tear, or the legislator promptly reimburses  
11 the state for the cost; an office is considered a legislator's private office under  
12 this subparagraph if it is the primary space in the capital city reserved for use  
13 by the legislator, whether or not it is shared with others; or

14 (F) use by a legislator of photographs of that legislator.

15 \* **Sec. 8.** AS 24.60.050(c) is amended to read:

16 (c) A legislator or legislative employee who participates in a program or  
17 receives a loan that is not exempt from disclosure under (a) of this section shall file [A  
18 WRITTEN REPORT] with the committee by the date required under AS 24.60.105 a  
19 disclosure stating the amounts of the loans outstanding or benefits received during the  
20 preceding calendar year from nonqualifying programs. If the committee requests  
21 additional information necessary to determine the propriety of participating in the  
22 program or receiving the loan, it shall be promptly provided. The committee shall  
23 promptly compile a list of the statements indicating the loans and programs and  
24 amounts and send it to the presiding officer of each house who shall have it published  
25 in the supplemental journals on or before the next regularly scheduled publication  
26 of ethics disclosures. If a [WITHIN THREE WEEKS AFTER THE FILING DATE.  
27 A] legislator or legislative employee asks [WHO BELIEVES THAT DISCLOSURE  
28 OF PARTICIPATION IN A PROGRAM WOULD BE AN INVASION OF THE  
29 PARTICIPANT'S RIGHT TO PRIVACY UNDER THE STATE CONSTITUTION  
30 MAY REQUEST] the committee to keep any part of the disclosure confidential and  
31 a quorum of the committee determines that making the entire disclosure public

1 would cause an unjustifiable invasion of personal privacy, the committee may  
2 elect to [. IF THE COMMITTEE FINDS THAT PUBLICATION WOULD  
3 CONSTITUTE AN INVASION OF PRIVACY, THE COMMITTEE SHALL] publish  
4 only the fact that a person has participated in the program and the amount of benefit  
5 that the unnamed person received. The committee shall maintain the disclosure of the  
6 name of the person as confidential and may only use the disclosure in a proceeding  
7 under AS 24.60.170. If the disclosure becomes part of the record of a proceeding  
8 under AS 24.60.170, the disclosure may be made public as provided in that section.

9 \* Sec. 9. AS 24.60.070(c) is amended to read:

10 (c) When making a disclosure under (a) of this section concerning a  
11 relationship with a lobbyist to whom the [LEGISLATOR OR] legislative employee is  
12 married or who is the [LEGISLATOR'S OR] legislative employee's domestic partner,  
13 the [LEGISLATOR OR] legislative employee shall also disclose the name and address  
14 of each employer of the lobbyist and the total monetary value received by the lobbyist  
15 from the lobbyist's employer. The [LEGISLATOR OR] legislative employee shall  
16 report changes in the employer of the spouse or domestic partner within 48 hours after  
17 the change. In this subsection, "employer of the lobbyist" means the person from  
18 whom the lobbyist received amounts or things of value for engaging in lobbying on  
19 behalf of the person.

20 \* Sec. 10. AS 24.60.080(c) is amended to read:

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

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

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

28 (B) at a social event or meal;

29 (2) discounts that are available

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

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

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

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

7 (5) gifts from the immediate family of the person;

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

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

19 (8) a gift of legal services in a matter of legislative concern and a gift  
20 of other services related to the provision of legal services in a matter of legislative  
21 concern;

22 (9) a gift of transportation from a legislator to a legislator if the  
23 transportation takes place in the state on or in an aircraft, boat, motor vehicle, or other  
24 means of transport owned or under the control of the donor; this paragraph does not  
25 apply to travel described in (4) of this subsection or travel for political campaign  
26 purposes;

27 (10) tickets from a lobbyist for a charity event at any time, including  
28 during a legislative session, except that tickets to or gifts received at a charity event  
29 under this paragraph are subject to the calendar year limit on the value of gifts  
30 received by a legislator or legislative employee in (a) of this section; in this paragraph,  
31 "charity event" means an event the proceeds of which go to a charitable organization

1 with tax-free status under 26 U.S.C. 501(c)(3) and that the Alaska Legislative Council  
2 has approved in advance; the tickets may entitle the bearer to admission to the event,  
3 to entertainment, to food or beverages, or to other gifts or services involved in the  
4 charity event; or

5 (11) a contribution to a charity event from any person at any time; in  
6 this paragraph, "charity event" has the meaning given in (10) of this subsection.

7 \* Sec. 11. AS 24.60.080(d) is amended to read:

8 (d) A legislator or legislative employee who accepts a gift under (c)(4) of this  
9 section that has a value of \$250 or more shall disclose to the committee, within 30  
10 days after receipt of the gift, the name and occupation of the donor and the  
11 approximate value of the gift. A legislator or legislative employee who accepts a gift  
12 under (c)(8) of this section that the recipient expects will have a value of \$250 or more  
13 in the calendar year shall disclose to the committee, within 30 days after receipt of the  
14 gift, the name and occupation of the donor, a general description of the matter of  
15 legislative concern with respect to which the gift is made, and the approximate value  
16 of the gift. The committee shall maintain a public record of the disclosures it receives  
17 relating to gifts under (c)(4), (c)(8), and (i) [AND (8)] of this section and shall  
18 forward the disclosures to the appropriate house for inclusion in the journal. The  
19 committee shall forward to the Alaska Public Offices Commission copies of the  
20 disclosures concerning gifts under (c)(4), (c)(8), and (i) [AND (8)] of this section that  
21 it receives from legislators and legislative directors. A legislator or legislative  
22 employee who accepts a gift under (c)(6) of this section that has a value of \$250 or  
23 more shall disclose to the committee annually on or before March 15 the name and  
24 occupation of the donor and a description of the gift. The committee shall maintain  
25 disclosures relating to gifts under (c)(6) of this section as confidential records and may  
26 only use, or permit a committee employee or contractor to use, a disclosure under  
27 (c)(6) of this section in the investigation of a possible violation of this section or in a  
28 proceeding under AS 24.60.170. If the disclosure under (c)(6) of this section becomes  
29 part of the record of a proceeding under AS 24.60.170, the confidentiality provisions  
30 of that section apply to the disclosure.

31 \* Sec. 12. AS 24.60.080(i) is amended to read:

1 (i) A legislator or legislative employee who knows or reasonably should know  
2 that a family member has received a gift because of the family member's connection  
3 with the legislator or legislative employee shall disclose for publication under (d) of  
4 this section [REPORT] the receipt of the gift by the family member to the committee  
5 if the gift would have to be disclosed [REPORTED] under this section if it had been  
6 received by the legislator or legislative employee or if receipt of the gift by a legislator  
7 or legislative employee would be prohibited under this section.

8 \* Sec. 13. AS 24.60.100 is amended to read:

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

18 \* Sec. 14. AS 24.60.105 is amended to read:

19 **Sec. 24.60.105. Deadline [DEADLINES] for filing disclosures.** (a) When a  
20 legislator or legislative employee is required to file a disclosure under this chapter and  
21 a date by which the disclosure must be filed is not otherwise set by statute, the  
22 deadline for filing disclosure shall be 30 days [DEADLINES SET OUT IN THIS  
23 SECTION SHALL APPLY. FOR DISCLOSURE OF A MATTER OR AN  
24 INTEREST THAT BEGAN OR WAS ACQUIRED DURING THE INTERIM  
25 BETWEEN REGULAR LEGISLATIVE SESSIONS, WHETHER OR NOT THE  
26 REGULAR SESSION IS EXTENDED OR THERE IS A SPECIAL SESSION, OR  
27 DURING THE LAST 30 DAYS OF A REGULAR SESSION, THE LEGISLATOR  
28 OR LEGISLATIVE EMPLOYEE SHALL DISCLOSE THE MATTER BY MARCH  
29 15. FOR DISCLOSURE OF A MATTER OR AN INTEREST THAT BEGAN OR  
30 WAS ACQUIRED DURING A REGULAR LEGISLATIVE SESSION, BUT NOT  
31 DURING THE LAST 30 DAYS OF THE REGULAR SESSION, THE

1 DISCLOSURE MUST BE MADE WITHIN 30 DAYS] after the commencement of  
2 the matter, interest, or representation.

3 (b) Disclosures under the following statutes are subject to the deadline  
4 [DEADLINES] set out in this section:

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

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

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

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

15 (5) representation of a client under AS 24.60.100.

16 \* Sec. 15. AS 24.60 is amended by adding a new section to article 2 to read:

17 **Sec. 24.60.115. Disclosure required of a legislator, legislative employee, or**  
18 **public member of the committee after final day of service.** A person serving as a  
19 legislator, legislative employee, or public member of the committee shall, not later  
20 than 90 days after the person's final day of service as a legislator, legislative employee,  
21 or public member, file a disclosure of every matter that was subject to disclosure under  
22 this chapter while the person was serving.

23 \* Sec. 16. AS 24.60.130(n) is amended to read:

24 (n) When appointing members of the legislature to serve on the committee, the  
25 speaker of the house or the president of the senate, as appropriate, shall appoint an  
26 alternate member for each regular member. An alternate must have the same  
27 qualifications as the regular member for whom the alternate stands as alternate and is  
28 subject to confirmation as required for the regular member. If a regular legislative  
29 member of the committee or a subcommittee is unable to attend a meeting, the  
30 chair of the committee or a subcommittee shall designate the regular member's  
31 alternate to serve in place of the regular member at the meeting and the

1 designated alternate shall serve unless unable to serve for any reason. If a regular  
2 legislative member of the committee or a subcommittee is disqualified under (h) of  
3 this section from serving on the committee or the subcommittee concerning a  
4 proceeding under AS 24.60.170 or if the regular member is unable to attend, the  
5 chair of the committee or a subcommittee shall designate the regular member's  
6 alternate to serve in place of the regular member in the proceeding unless the alternate  
7 is also disqualified from serving. The designation shall be treated as confidential to the  
8 same extent that the identity of the subject of a complaint is required to be kept  
9 confidential.

10 \* Sec. 17. AS 24.60.150(a) is amended to read:

11 (a) The committee shall

12 (1) adopt procedures to facilitate the receipt of inquiries and prompt  
13 rendition of its opinions;

14 (2) publish semi-annual summaries of decisions and advisory opinions  
15 with sufficient deletions in the summaries to prevent disclosing the identity of the  
16 persons involved in the decisions or opinions that have remained confidential;

17 (3) publish legislative ethics materials, including an annually  
18 updated handbook on standards of ethical conduct and a bimonthly legislative  
19 newsletter, to help educate legislators, legislative employees, and public members  
20 of the committee on the subject of legislative ethics;

21 (4) in January of each year and at other times determined by the  
22 committee, administer a legislative ethics course that teaches means of  
23 compliance with this chapter and an understanding of this chapter's purpose  
24 under AS 24.60.010.

25 \* Sec. 18. AS 24.60 is amended by adding a new section to read:

26 Sec. 24.60.155. A person who is a legislator, legislative employee, or public  
27 member of the committee shall complete the legislative ethics course administered by  
28 the committee under AS 24.60.150(a) within 10 days of the first day of the first  
29 regular session of each legislature. However, a person who first takes office or begins  
30 employment after the 10th day of the first regular session of a legislature shall  
31 complete the course required by this section within 30 days after the person's first day

1 of service. The committee may grant a person additional time to complete the course  
2 required by this section.

3 \* Sec. 19. AS 24.60.160 is amended to read:

4 **Sec. 24.60.160. Advisory opinions.** (a) On the request of the committee, the  
5 Alaska Public Offices Commission, a person to whom this chapter applies, or a  
6 person who has been newly elected to the legislature, the committee shall issue an  
7 advisory opinion within 60 days as to whether the facts and circumstances of a  
8 particular case constitute a violation of ethical standards. If it finds that it is advisable  
9 to do so, the committee may issue an opinion under this section on the request of a  
10 person who reasonably expects to become subject to this chapter within the next 45  
11 days. The 60-day period for issuing an opinion may be extended by the committee if  
12 the person requesting the opinion consents.

13 (b) An opinion issued under this section is binding on the committee in any  
14 subsequent proceedings concerning the facts and circumstances of the particular case  
15 unless material facts were omitted or misstated in the request for the advisory opinion.  
16 An opinion issued under this section must be issued with sufficient deletions to  
17 prevent disclosing the identity of the person or persons involved. Advisory  
18 opinion discussions and deliberations are confidential, unless the requester and  
19 anyone else named in the request who is covered by this chapter waives  
20 confidentiality. The committee's final vote on the advisory opinion is a public  
21 record [EXCEPT AS PROVIDED IN THIS CHAPTER, AN ADVISORY OPINION  
22 IS CONFIDENTIAL BUT SHALL BE MADE PUBLIC IF A WRITTEN REQUEST  
23 BY THE PERSON WHO REQUESTED THE OPINION IS FILED WITH THE  
24 COMMITTEE].

25 \* Sec. 20. AS 24.60.170(j) is amended to read:

26 (j) If the committee has issued a formal charge under (h) of this section, and if  
27 the person charged has not admitted the allegations of the charge, the committee shall  
28 schedule a hearing on the charge. The committee may appoint an individual to present  
29 the case against the person charged if that individual does not provide other [AND  
30 HAS NOT PROVIDED] legal advice to the committee except in the course of  
31 presenting cases under this subsection. The hearing shall be scheduled for a date more

1 than 20 and less than 90 days after service of the charge on the person charged, unless  
2 the committee schedules [THE PERSON AGREES TO] a later hearing date. **If the**  
3 **complainant prevents the hearing from starting before the 90-day deadline passes**  
4 **and a quorum of the committee determines the delay is not supported by a**  
5 **compelling reason or will result in the person charged being deprived of a fair**  
6 **hearing, the committee may dismiss the complaint with prejudice or enter some**  
7 **other order the committee determines is appropriate.** At the hearing, the person  
8 charged shall have the right to appear personally before the committee, to subpoena  
9 witnesses and require the production of books or papers relating to the proceedings, to  
10 be represented by counsel, and to cross-examine witnesses. A witness shall testify  
11 under oath. The committee is not bound by the rules of evidence, but the committee's  
12 findings must be based upon clear and convincing evidence. Testimony taken at the  
13 hearing shall be recorded, and evidence shall be maintained.

14 \* Sec. 21. AS 24.60.176(b) is amended to read:

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

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

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

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

25 (4) the appropriate rules committee for employees of

26 (A) standing committees of the legislature, other than the  
27 finance committees;

28 (B) the senate secretary's office and the office of the chief clerk  
29 of the house of representatives; and

30 (C) house records and senate records;

31 (5) the legislator who made the hiring decision for employees of

1 individual legislators; however, the legislator may request the appropriate rules  
2 committee to act in the legislator's stead;

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

5 (7) the legislature for the ombudsman;

6 (8) the victims' advocate for employees of the office of victims'  
7 rights, other than the victims' advocate;

8 (9) the legislature for the victims' advocate.

9 \* Sec. 22. AS 24.60.210 is amended by adding a new subsection to read:

10 (c) The Alaska Public Offices Commission may request that the reports  
11 required under this section be submitted electronically but shall accept any  
12 information required under this section that is typed in clear and legible black typeface  
13 or hand-printed in dark ink on paper in a format approved by the commission or on  
14 forms provided by the commission and that is filed with the commission.

15 \* Sec. 23. AS 24.60.250(c) is amended to read:

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

22 \* Sec. 24. AS 39.50.020 is amended to read:

23 **Sec. 39.50.020. Report of financial and business interests.** (a) A public  
24 official other than the governor or the lieutenant governor shall file a statement giving  
25 income sources and business interests, under oath and on penalty of perjury, within 30  
26 days after taking office as a public official. Candidates for state elective office other  
27 than a candidate who is subject to AS 24.60 shall file the statement with the director of  
28 elections at the time of filing a declaration of candidacy or a nominating petition or  
29 becoming a candidate by any other means. Candidates for elective municipal office  
30 shall file the statement at the time of filing a nominating petition, declaration of  
31 candidacy, or other required filing for the elective municipal office. Refusal or failure

1 to file within the time prescribed shall require that the candidate's filing fees, if any,  
2 and filing for office be refused or that a previously accepted filing fee be returned and  
3 the candidate's name removed from the filing records. A statement shall also be filed  
4 by public officials no later than March 15 in each following year. On or before the  
5 90th day after leaving office, a former public official shall file a final statement  
6 covering any period during the official's service in that office for which the public  
7 official has not already filed a statement. Persons who are members of boards or  
8 commissions not named in AS 39.50.200(b) are not required to file financial  
9 statements.

10 (b) A public official or former public official other than an elected or  
11 appointed municipal officer shall file the statement with the Alaska Public Offices  
12 Commission. Candidates for the office of governor and lieutenant governor and, if the  
13 candidate is not subject to AS 24.60, the legislature shall file the statement under  
14 AS 15.25.030 or 15.25.180. Municipal officers, former municipal officers, and  
15 candidates for elective municipal office, shall file with the municipal clerk or other  
16 municipal official designated to receive their filing for office. All statements required  
17 to be filed under this chapter are public records.

18 \* Sec. 25. AS 39.50.030(b) is amended to read:

19 (b) Each statement filed by a public official or candidate under this chapter  
20 must include the following:

21 (1) for [THE SOURCE OF] all sources of income over \$5,000 during  
22 the preceding calendar year, including taxable [AND NONTAXABLE] capital gains,  
23 and for all gifts from a single source with a cumulative value exceeding \$250 in a  
24 calendar year, received by the person, the person's spouse or domestic partner, or the  
25 person's dependent child,

26 (A) each source of the income or gift;

27 (B) the recipient of the income or gift;

28 (C) the amount of the income or value of the gift;

29 (D) a brief statement describing whether the income was  
30 earned by commission, by the job, by the hour, or by some other method;

31 (E) if the income was earned by the hour, the approximate

1                    number of hours worked; and

2                    (F) unless required by law to be kept confidential, a  
3                    description sufficient to make clear to a person of ordinary understanding  
4                    the nature of each service performed and the date the service was  
5                    performed [EXCEPT THAT A SOURCE OF INCOME THAT IS A GIFT  
6                    MUST BE INCLUDED IF THE VALUE OF THE GIFT EXCEEDS \$250];

7                    (2) the identity, by name and address, of each business in which the  
8                    person, the person's spouse or domestic partner, or the person's dependent child has an  
9                    interest or was a stockholder, owner, officer, director, partner, proprietor, or employee  
10                   during the preceding calendar year, except that an interest of less than \$5,000 in the  
11                   stock of a publicly traded corporation need not be included;

12                   (3) the identity and nature of each interest in real property, including  
13                   an option to buy, owned at any time during the preceding calendar year by the person,  
14                   the person's spouse or domestic partner, or the person's dependent child;

15                   (4) the identity of each trust or other fiduciary relation in which the  
16                   person, the person's spouse or domestic partner, or the person's dependent child held a  
17                   beneficial interest exceeding \$5,000 during the preceding calendar year, a description  
18                   and identification of the property contained in each trust or relation, and the nature and  
19                   extent of the beneficial interest in it;

20                   (5) any loan or loan guarantee of more than \$5,000 made to the person,  
21                   the person's spouse or domestic partner, or the person's dependent child, and the  
22                   identity of the maker of the loan or loan guarantor and the identity of each creditor to  
23                   whom the person, the person's spouse or domestic partner, or the person's dependent  
24                   child owed more than \$5,000; this paragraph requires disclosure of a loan, loan  
25                   guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness  
26                   incurred, during the preceding calendar year, or if the amount still owing on the loan,  
27                   loan guarantee, or indebtedness was more than \$5,000 at any time during the  
28                   preceding calendar year;

29                   (6) a list of all contracts and offers to contract with the state or an  
30                   instrumentality of the state during the preceding calendar year held, bid, or offered by  
31                   the person, the person's spouse or domestic partner, or the person's dependent child, a

1 partnership or professional corporation of which the person is a member, or a  
2 corporation in which the person or the person's spouse, domestic partner, or dependent  
3 **child** [CHILDREN], or a combination of them, hold a controlling interest; and

4 (7) a list of all mineral, timber, oil, or any other natural resource lease  
5 held, or lease offer made, during the preceding calendar year by the person, the  
6 person's spouse or domestic partner, or the person's dependent child, a partnership or  
7 professional corporation of which the person is a member, or a corporation in which  
8 the person or the person's spouse, [OR] domestic partner, or dependent **child**  
9 [CHILDREN], or a combination of them, holds a controlling interest.

10 \* Sec. 26. AS 39.50.050(a) is amended to read:

11 (a) The Alaska Public Offices Commission created under AS 15.13.020(a)  
12 shall administer the provisions of this chapter. The commission shall prepare and keep  
13 available for distribution standardized forms on which the reports required by this  
14 chapter shall be filed. The commission shall print the forms provided under this  
15 section so that the front and back of each page have the same orientation when the  
16 page is rotated on the vertical axis of the page. The commission may request that the  
17 information required under this chapter be submitted electronically but shall accept  
18 any information required under this chapter that is typed in clear and legible black  
19 typeface or hand-printed in dark ink on paper in a format approved by the commission  
20 or on forms provided by the commission and that is filed with the commission.  
21 However, the governor or lieutenant governor shall submit the information  
22 required under this chapter electronically, but the commission may, when  
23 extraordinary circumstances warrant an exception, accept any information  
24 required from these public officers under this chapter that is typed in clear and  
25 legible black typeface or hand-printed in dark ink on paper in a format approved  
26 by the commission or on forms provided by the commission and that is filed with  
27 the commission.

28 \* Sec. 27. AS 39.52.110(b) is repealed and reenacted to read:

29 (b) Notwithstanding (a) of this section, a public officer's action or influence  
30 with respect to the officer's personal or financial interest in a specific matter is not a  
31 violation of public trust or a violation of this chapter

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(1) if the public officer's action or influence in the matter would have only an insignificant or conjectural effect on the matter; or

(2) if the public officer's

(A) personal or financial interest is of a type that is possessed generally by the public or a large class of persons to which the public officer belongs;

(B) personal interest is insignificant; or

(C) financial interest is solely in regard to a business and neither the public officer nor a member of the public officer's immediate family

(i) owns a controlling interest in the business and the controlling interest has a fair market value of \$5,000 or more;

(ii) owns stock or options to buy stock that, when combined, equal more than one percent of the stock in the business or have a total fair market value of more than \$5,000;

(iii) owns or has an option to buy an equity interest in the business the fair market value of which is more than \$5,000 or one percent of the total fair market value of the business, whichever is less;

(iv) is a member of the board of directors or another governing body of the business;

(v) is an officer of the business;

(vi) provides or has an option to provide personal or professional services to the business;

(vii) has a contract or an option for a contract with the business; or

(viii) is an employee of the business.

\* Sec. 28. AS 39.52.130(a) is amended to read:

(a) A public officer may not solicit, accept, or receive, directly or indirectly, a gift, whether in the form of money, service, loan, travel, entertainment, hospitality, employment, promise, or in any other form, that is a benefit to the officer's personal or financial interests, under circumstances in which it could reasonably be inferred that

1 the gift is intended to influence the performance of official duties, actions, or  
2 judgment. A gift from a person required to register as a lobbyist under  
3 AS 24.45.041 to a public officer or a public officer's immediate family member is  
4 presumed to be intended to influence the performance of official duties, actions,  
5 or judgment unless the giver is an immediate family member of the person  
6 receiving the gift.

7 \* Sec. 29. AS 39.52.180(a) is amended to read:

8 (a) A public officer who leaves state service may not, for two years after  
9 leaving state service, represent, advise, or assist a person for compensation regarding a  
10 matter that was under consideration by the administrative unit served by that public  
11 officer, and in which the officer participated personally and substantially through the  
12 exercise of official action. For the purposes of this subsection, "matter" includes a  
13 case, proceeding, application, contract, [OR] determination, [BUT DOES NOT  
14 INCLUDE THE] proposal or consideration of a legislative bill [BILLS], a resolution,  
15 a [RESOLUTIONS AND] constitutional amendment [AMENDMENTS], or other  
16 legislative measure, [MEASURES;] or [THE] proposal, consideration, or adoption of  
17 an administrative regulation [REGULATIONS].

18 \* Sec. 30. AS 39.52.180(d) is amended to read:

19 (d) A former governor, lieutenant governor, [OR] head or deputy head of a  
20 principal department in the executive branch, or employee of the Office of the  
21 Governor in a policy-making position may not engage in activity as a lobbyist under  
22 AS 24.45 for a period of one year after leaving service as the governor, lieutenant  
23 governor, [OR] department head or deputy head, or employee of the Office of the  
24 Governor in a policy-making position, as appropriate. This subsection does not  
25 prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a  
26 representational lobbyist as defined under regulations of the Alaska Public Offices  
27 Commission.

28 \* Sec. 31. AS 39.52.180 is amended by adding a new subsection to read:

29 (e) A former head of a principal department in the executive branch may not,  
30 for a period of one year after leaving service as the head of that department, serve on  
31 the governing board of a company, organization, or other entity that was regulated by

1 that department or with which the former department head worked as part of an  
2 official duty as the department head. A former employee of the Office of the Governor  
3 in a policy-making position may not, for a period of one year after leaving  
4 employment in that office, serve on the governing board of a company, organization,  
5 or other entity with which the former employee worked as part of an official duty for  
6 the Office of the Governor.

7 \* **Sec. 32.** The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 **APPLICABILITY.** (a) AS 39.52.180(a), as amended by sec. 29 of this Act, applies to  
10 a person who leaves state service on or after the effective date of sec. 29 of this Act.

11 (b) AS 39.52.180(d), as amended by sec. 30 of this Act, applies to a person who  
12 leaves service as governor, lieutenant governor, head or deputy head of a principal department  
13 in the executive branch, or employee of the Office of the Governor in a policy-making  
14 position on or after the effective date of sec. 30 of this Act.

15 (c) AS 39.52.180(e), as added by sec. 31 of this Act, applies to a department head or  
16 employee of the Office of the Governor in a policy-making position who leaves employment  
17 as a department head or employee of the Office of the Governor in a policy-making position  
18 on or after the effective date of sec. 31 of this Act.

19 \* **Sec. 33.** Sections 2, 22, and 26 of this Act take effect July 1, 2007.

20 \* **Sec. 34.** Except as provided in sec. 33 of this Act, this Act takes effect immediately under  
21 AS 01.10.070(c).

**CSHB 109(STA) Version K**  
**Sectional**

**Sec. 1.** Eliminates the exemption from disclosure for candidates raising less than and spending less than \$5,000, but retains exemption for delegates to a constitutional convention, a judge seeking electoral confirmations, or a municipal candidate.

**Sec. 2.** Requires candidates for governor and lieutenant governor to file campaign disclosure reports to APOC electronically.

**Sec. 3.** Requires the APOC Committee to administer annually updated ethics courses to teach lobbyists and employers of lobbyists how to comply with laws regulating lobbyists.

**Sec. 4.** When lobbyists register with APOC, they must sign a sworn affirmation that they have completed a training course on disclosure laws within the last 12 months.

**Sec. 5.** Prohibits a spouse or domestic partner of a legislator from lobbying for pay.

**Sec. 6.** Language clean up to clarify that this subsection applies to Chapter 60, Standards of Conduct.

**Sec. 7.** Adds a prohibition to a legislator preventing him from sending a newsletter to constituents within a 30-day window prior to a state election.

**Sec. 8.** Replaces it "written report" with "disclosure" to make language consistent with other sections of the statutes.

Allows a quorum of the committee to refrain from publishing disclosures that would be considered an invasion of the discloser's privacy. Currently a person who is a participant of the Violent Crimes Compensation program would have to disclose and the committee has determined they don't have the authority to withhold publication of a name.

Adds language requiring gift disclosures to be published in the journal along with other with other disclosures.

**Sec. 9.** Eliminates the requirement of a legislator to file a close economic relationship with a lobbyist. Section 5 prohibits a spouse or domestic partner of a legislator from lobbying, eliminating the ability for a legislator to have close economic relationship.

**Sec. 10.** Special discounts are given to legislators and their staff to make the stay during session more affordable. An example is reduced rates at a local athletic club.

This amendment adds the office of victims' rights to the list of legislative employees that do not qualify for the discounts.

**Sec. 11.** Adds gifts of legal services and gifts to family members because of their relationship with a legislator to the disclosures that are maintained for public record and forwarded to APOC.

**Sec. 12.** Requires a legislator or legislative employee to disclose to the Ethics Committee gifts received by family members because of their relationship with a legislator or legislative employee. The disclosure is to be maintained for public record by the Ethics Committee and forwarded to APOC for online public disclosure.

**Sec. 13.** Cleanup language

**Sec. 14.** This amendment requires all disclosures to be filed within 30 days of the association or interest. Filing dates for ethics disclosures are very confusing. Some disclosures are required within 30 days of association at certain times of the year, some annually, and no disclosure are required during the timeframe of 30 days prior to the end of the session.

**Sec. 15.** Under existing law, once a person leaves service, they no longer are bound by disclosure laws. This new section would require them to report all matters subject to disclosure under 24.60 while they were in public service regardless of the fact they are no longer in service. The ethics committee issued an advisory opinion on December 4, 2006 that sets policy consistent with this change in statute.

**Sec. 16.** Allows the chair of the committee or a subcommittee to designate the alternate legislative member to attend a meeting if the regular member is unable to attend. Currently the chair can only appoint the alternate if the regular member has a conflict with an with an item on the meeting agenda.

**Sec. 17.** Puts current practice into statute by deleting the requirement that summaries of public decisions and advisory opinions be published on a semi-annual basis. Public decisions have been published annually since 1999 and advisory opinions have been published annually since 1995.

**Sec. 18.** Makes ethics classes mandatory for legislators, legislative employees, and public members of the committee. Legislators, legislative employees, and public members of the ethics committee would be required to get the training within 10 days of the first day of the first regular session. If service begins after the tenth day, the legislator, legislative employee, or public member of the ethics committee would be required to get ethics training within 30 days of the first day of service.

**Sec. 19.** Extends the authority to request an advisory opinion to the ethics committee and APOC. It also requires the committee to make deletions to advisory

opinions that prevent the disclosure of the identity of the person requesting the opinion and any other persons named in the opinion. Finally, it clarifies that advisory opinions are confidential unless the person requesting the opinion waives confidentiality.

**Sec. 20.** This amendment grants authority to the committee to approve the change date of a hearing. Currently, if a complainant exercises his authority to change the date of a public hearing and requests a six-month extension, the committee cannot extend the hearing for more than 90 days. In addition, the committee may need to extend the hearing beyond the 90-day limit because they lacked a quorum.

**Sec. 21.** Adds to the list of "appointing authority" the victims' advocate for employees of the office of victims' rights and the legislature for the victims' advocate. When the ethics committee determines an employee has violated standards of conduct, the committee forwards its findings of fact to the employee's appointing authority" or supervisor to determine sanctions for the employee.

**Sec. 22** Leaves electronic reporting for all reporters other than Governor and Lt. Governor as optional but adds some requirements for APOC to accept non-electronic disclosures. Candidates for governor and lieutenant governor will be required to file electronically.

**Sec. 23.** Adds language to address who will be notified if the director of the office of victim's rights fails to file an annual financial report. It requires the APOC to notify the Legislative Council if the director of the office of victim's rights fails to file a financial disclosure report with APOC.

**Sec. 24.** This makes it clear that former public officials have to file a final disclosure statement after leaving his/her position within 90 days of terminating service. Subsection (b) clarifies former public officials and former municipal officers must comply with disclosure requirements.

**Sec. 25.** Applies to public officials and candidates. This section would require more detail in the financial disclosures reporting of income and interests exceeding \$5,000 in value. The disclosures must describe the source of the income, the amount received, the number of hours spent to earn the income if reimbursed on an hourly basis, and details regarding the services provided. It also clarifies that the official or candidate must report the gift if the cumulative value over the course of a year is more than \$250

**Sec. 26.** This section would provide for permissive electronic filing of candidates' and public officials' financial disclosures with APOC, but makes it mandatory to file electronically for candidates filing for the office of governor or lieutenant governor.

**Sec. 27.** This section allows action on what is defined as significant business interests where the effect of the action is insignificant or conjectural. It attempts to draw

a bright line for a public officer to know when he or she could be crossing the line in making decisions that could result in a financial gain for them or their immediate family.

**Sec. 28.** This applies to all state employees a presumption that all gifts from a lobbyist to a public officer or members of the officer's immediate family are improper unless the lobbyist is an immediate family member of the gift's recipient.

**Sec. 29.** This section would make the post-state employment limitation more restrictive by precluding former public officers from working on particular legislation or regulations, if they personally and substantially participated in work on the same legislation or regulations during their state service.

**Sec. 30.** Sec. 30 extends the existing one-year ban on lobbying to include deputy heads of principal departments and those holding policy-making positions in the Office of the Governor. Currently, the one-year lobbying ban applies only to the governor, lieutenant governor, and heads of principal departments.

**Sec. 31.** Prohibits for one-year after leaving a position as a former head of a department in the executive branch from serving on a board or other entity that was regulated by that department which the former department head worked.

**Sec. 33.** Applicability clause provides that new laws enacted in HB 109 would apply to elected officials and public officers who leave office after the effective date of HB 109.

**Sec. 34.** The sections of HB 109 that change reporting requirements with APOC have an effective date of July 1, 2007.

**Sec. 35.** The remainder of the bill becomes effective immediately.

**CSHB 109(STA) Version K**  
**Analysis of Governor's Amendments**

**AS 15.13.040(m):** Would amend section 2 to make electronic filing mandatory for all campaign reports except those from candidates for municipal offices, and to allow exceptions when circumstances warrant them. It would delay the effective date for this section until May 1, 2009.

**AS 24.45.121(a):** Would add new sections to the lobbying statutes to give the APOC authority to enforce against lobbyists some restrictions that appear elsewhere in the bill. The new sections would prohibit lobbyists from offering or making gifts to members of the executive branch that the Executive Branch Ethics Act prohibits the members from accepting, and would prohibit individuals from lobbying when the Ethics Act prohibits them from working as lobbyists.

**AS 24:60:200:** Would reinsert a section from the governor's original bill to require additional details in the financial disclosures that legislators, legislative directors, and public members of the Select Committee on Legislative Ethics file with the APOC.

**AS 24:60:210:** Would amend section 22 to make electronic filing mandatory for legislative financial disclosures, and to allow exceptions when circumstances warrant them. It would also delay the effective date for this section until July 1, 2008.

**AS 39:50:030(b):** Would amend section 25 to make \$1,000 – rather than \$5,000 – the reporting threshold for financial disclosures that “public officials” (i.e., high-level executive branch officials, judicial officers, certain municipal officers, and some others) must file with the APOC, and to require reporting of the approximate number of hours of services performed for the reported income regardless of whether the income was earned by the hour.

**AS 39:50:050(a):** Would amend section 26 to make electronic filing of financial disclosures mandatory for all public officials except municipal officers, and to allow exceptions when circumstances warrant them. The effective date for this section would remain July 1, 2007.

**AS 39:50:200(b):** Would add a new section to supplement the list of boards' members that must file annual financial disclosures with the APOC. The Alaska Industrial Development and Export Authority, the Knik Arm Bridge and Toll Authority, the Alaska labor relations agency, the Alaska Mental Health Trust Authority, and the Alaska Railroad Corporation would be added to the existing list in AS 39.50.200(b).

**AS 39:52:110:** Would replace section 27, which defines an “insignificant” business interest, with a provision from the governor's original bill. The amendment would establish a presumption that stock or other ownership interest in a business is insignificant if the value of the stock or interest is less than \$5,000.

**AS 39:52:180:** Would amend section 30 to define the “policy-making positions” in the Governor's Office that are restricted from lobbying for one year after leaving state service. The “policy-making positions” restricted from lobbying would be the same “policy-making positions” that must file annual financial disclosures with the APOC.

2

3 OFFERED IN THE HOUSE BY THE GOVERNOR

4 STATE AFFAIRS COMMITTEE

5 TO: CSHB 109( ) (25-GH1059\K; 2/21/07)

6 Page 2, line 5, following "commission":

7 Delete "may request"

8 Insert "shall require"

9

10 Page 2, line 6, following "chapter":

11 Insert ", unless it is information required of a candidate for election to municipal  
12 elective office,"

13

14 Page 2, line 6, following "but":

15 Delete "shall"

16 Insert "may, when circumstances warrant an exception or when the information is  
17 required of a candidate for election to municipal elective office,"

18

19 Page 2, line 9, following "with the commission.", through line 15

20 Delete all material and insert:

21 "Candidates for election to municipal elective office must submit information  
22 required under this chapter electronically or in the typed or hand-printed form described in  
23 this subsection. In this subsection, 'municipal elective office' means the office of an

1 elected borough or city mayor, elected member of a city or borough planning commission,  
2 elected utility board member, or elected member of a borough assembly, city council, or  
3 school board.”

4

5 Page 22, following line 18:

6 Insert a new bill section to read:

7 **“\* Sec. 33. Section 2 of this Act takes effect May 1, 2009.”**

8

9 Renumber the following bill sections accordingly.

10

11 Page 22, line 19, following “Sections”

12 Delete “2”

2  
3 OFFERED IN THE HOUSE BY THE GOVERNOR  
4 STATE AFFAIRS COMMITTEE

5 TO: CSHB 109( ) (25-GH1059\K; 2/21/07)

6 Page 4, following line 2:

7 Insert new bill sections to read:

8 **\*\* Sec. 5.** AS 24.45.121(a) is amended to read:

9 (a) A lobbyist may not

10 (1) engage in any activity as a lobbyist before registering under

11 AS 24.45.041;

12 (2) do anything with the intent of placing a public official under personal  
13 obligation to the lobbyist or to the lobbyist's employer;

14 (3) intentionally deceive or attempt to deceive any public official with  
15 regard to any material fact pertinent to pending or proposed legislative or  
16 administrative action;

17 (4) cause or influence the introduction of a legislative measure solely for  
18 the purpose of thereafter being employed to secure its passage or its defeat;

19 (5) cause a communication to be sent to a public official in the name of  
20 any fictitious person or in the name of any real person, except with the consent of  
21 that person;

22 (6) accept or agree to accept any payment in any way contingent upon the  
23 defeat, enactment, or outcome of any proposed legislative or administrative action;

1 (7) serve as a member of a state board or commission, if the lobbyist's  
2 employer may receive direct economic benefit from a decision of that board or  
3 commission;

4 (8) serve as a campaign manager or director, serve as a campaign  
5 treasurer or deputy campaign treasurer on a finance or fund-raising committee,  
6 host a fund-raising event, directly or indirectly collect contributions for, or deliver  
7 contributions to, a candidate, or otherwise engage in the fund-raising activity of a  
8 legislative campaign or campaign for governor or lieutenant governor if the  
9 lobbyist has registered, or is required to register, as a lobbyist under this chapter,  
10 during the calendar year; this paragraph does not apply to a representational  
11 lobbyist as defined in the regulations of the Alaska Public Offices Commission,  
12 and does not prohibit a lobbyist from making personal contributions to a candidate  
13 as authorized by AS 15.13 or personally advocating on behalf of a candidate;

14 (9) offer, solicit, initiate, facilitate, or provide to or on behalf of a person  
15 covered by AS 24.60, during a legislative session, a gift, other than food or  
16 beverage for immediate consumption; however, this paragraph does not prohibit a  
17 lobbyist from providing, during a legislative session or at any other time of the  
18 year, tickets to a charity event described in AS 24.60.080(c)(10), or a contribution  
19 to a charity event under AS 24.60.080(c)(11);

20 (10) make or offer a gift or a campaign contribution whose acceptance by  
21 the person to whom it is offered would violate AS 24.60 or AS 39.2."

22 \*\*\* Sec. 6. AS 24.45.121 is amended by adding a new subsection to read:

1                   (d) An individual may not engage in any activity as a lobbyist at any time  
2                   that AS 39.52 prohibits that individual from engaging in activity as a lobbyist. This  
3                   subsection does not prohibit service as a volunteer lobbyist described in  
4                   AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the  
5                   Alaska Public Offices Commission.”

6

7                   Renumber the following bill sections accordingly.

2  
3 OFFERED IN THE HOUSE BY THE GOVERNOR  
4 STATE AFFAIRS COMMITTEE

5 TO: CSHB 109( ) (25-GH1059\K; 2/21/07)

6 Page 16, following line 8:

7 Insert a new bill section to read:

8 **\*\* Sec. 22.** AS 24.60.200 is amended to read:

9 **Sec. 24.60.200. Financial disclosure by legislators, public members of the**  
10 **committee, and legislative directors.** A legislator, a public member of the  
11 committee, and a legislative director shall file a disclosure statement, under oath and  
12 on penalty of perjury, with the Alaska Public Offices Commission giving the  
13 following information about the income received by the discloser, the discloser's  
14 spouse or domestic partner, the discloser's dependent children, and the discloser's  
15 nondependent children who are living with the discloser:

16 (1) the information that a public official is required to report under  
17 AS 39.50.030, other than information about gifts;

18 (2) as to income in excess of \$1,000 received as compensation for  
19 personal services, the name and address of the source of the income, the amount of  
20 the income, the number of hours of services performed to earn that income, and a  
21 statement describing in detail the nature of the services performed; [IF THE SOURCE  
22 OF INCOME IS KNOWN OR REASONABLY SHOULD BE KNOWN TO HAVE  
23 A SUBSTANTIAL INTEREST IN LEGISLATIVE, ADMINISTRATIVE, OR

1 POLITICAL ACTION AND THE RECIPIENT OF THE INCOME IS A  
2 LEGISLATOR OR A LEGISLATIVE DIRECTOR, THE AMOUNT OF INCOME  
3 RECEIVED FROM THE SOURCE SHALL BE DISCLOSED:]

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

9

10 Renumber the following bill sections accordingly.

2

3 OFFERED IN THE HOUSE BY THE GOVERNOR

4 STATE AFFAIRS COMMITTEE

5 TO: CSHB 109( ) (25-GH1059-K; 2/21/07)

6 Page 16, line 10, following "Commission":

7 Delete "may request"

8 Insert "shall require"

9

10 Page 16, line 11, following "but":

11 Delete "shall"

12 Insert "may, when circumstances warrant an exception,"

13

14 Page 22, following line 18:

15 Insert a new bill section to read:

16 **\*\* Sec. 33.** Section 22 of this Act takes effect July 1, 2008."

17

18 Renumber the following bill sections accordingly.

19

20 Page 22, line 19, following "Sections 2,"

21 Delete "22"

2

3 OFFERED IN THE HOUSE BY THE GOVERNOR

4 STATE AFFAIRS COMMITTEE

5 TO: CSHB 109( ) (25-GH1059 K; 2/21/07)

6 Page 17, line 21:

7 Delete "\$5,000"

8 Insert "\$1,000"

9

10 Page 17, line 31:

11 Delete "if the income was earned by the hour,"

12

13 Page 18, line 10:

14 Delete "\$5,000"

15 Insert "\$1,000"

16

17 Page 18, line 17:

18 Delete "\$5,000"

19 Insert "\$1,000"

20

21 Page 18, line 20:

22 Delete "\$5,000"

23 Insert "\$1,000"

1

2

Page 18, line 24:

3

Delete "\$5,000"

4

Insert "\$1,000"

5

6

Page 18, line 27:

7

Delete "\$5,000"

8

Insert "\$1,000"

2

3

OFFERED IN THE HOUSE

BY THE GOVERNOR

4

STATE AFFAIRS COMMITTEE

5

TO: CSHB 109( ) (25-GH1059 K; 2/21/07)

6

Page 19, line 16, following "commission":

7

Delete "may request"

8

Insert "shall require"

9

10

Page 19, line 17, following "chapter":

11

Insert ", unless it is information required of a municipal officer."

12

13

Page 19, line 17, following "but":

14

Delete "shall"

15

Insert "may, when circumstances warrant an exception,"

16

17

Page 19, following line 20:

18

Insert "Municipal officers must submit information required under this chapter

19

electronically or in the typed or hand-printed form described in this subsection."

20

21

Page 19, lines 21 - 27:

22

Delete all material.

2  
3 OFFERED IN THE HOUSE BY THE GOVERNOR  
4 STATE AFFAIRS COMMITTEE

5 TO: CSHB 109( ) (25-GH1059\K; 2/21/07)

6 Page 19, following line 27:

7 Insert a new bill section to read:

8 **\*\* Sec. 27.** AS 39.50.200(b) is amended by adding new paragraphs to read:

9 (59) Alaska Industrial Development and Export Authority (AS 44.88);

10 (60) the board of directors of the Knik Arm Bridge and Toll Authority  
11 (AS 19.75.031 and 19.75.041);

12 (61) Alaska labor relations agency (AS 23.05.360 - 23.05.390);

13 (62) the Board of Trustees of the Alaska Mental Health Trust Authority  
14 (AS 47.30.016);

15 (63) the board of directors of the Alaska Railroad Corporation  
16 (AS 42.40.020 - 42.40.060) "

17  
18 Renumber the following bill sections accordingly.



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9

AS 39.52.180 Governor's Amendment (Policy Making Position - Title 39)

OFFERED IN THE HOUSE BY THE GOVERNOR  
STATE AFFAIRS COMMITTEE

TO: CSHB 109( ) (25-GH1059\K; 2/21/07)

Page 21, line 27, following "Commission.":

Insert

"In this subsection, 'policy-making position' has the same meaning as 'policy-making position' in AS 39.50.200(a)(1)."

# ALASKA DISTRICT COUNCIL OF LABORERS

Laborers International Union of North America, AFL-CIO

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Laborers Local 311  
Mike Gallagher, Business Manager  
Public Employees Local 71  
Jim Ashton, Business Manager

**Tim Sharp**  
Business Manager/Secretary/Treasurer

**Jim Ashton**  
President

## Fax

<b>To:</b> Mike Sica, Nancy Manley Rep. Bob Lynn's office	<b>From:</b> Heidi Drygas, Esq
<b>Fax:</b> 907-465-4316	<b>Pages:</b> 5
<b>Phone:</b>	<b>Date:</b> 2-21-07
<b>Re:</b> HB 109	<b>cc:</b> Jim Ashton Tom Brice Dennis Moen, Public Employees Local 71

Urgent     For Review     Please Comment     Please Reply     Please Recycle

Please call with questions- Thanks!

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To: House State Affairs Committee

From: Heidi Drygas, General Counsel  
Alaska District Council of Laborers

Date: February 21, 2007

Re: HB 109

---

Thank you for the opportunity to provide comments on HB 109.

Alaska has a long-standing nepotism statute, AS 39.90.020, and regulations, 2 AAC 07.950, which prohibit family members from working together in a *supervisory* relationship.

But in August 2005, the Department of Administration promulgated a new policy, Alaska Administrative Manual (AAM) 100.050, which prohibits employees from being in an "*employment relationship*" with an immediate family member, including conjugal relationships, up to the second degree of kindred.

This provision was enacted in response to a Department of Law memorandum issued in March 2005 on how the Executive Branch Ethics Act (Ethics Act) applies when a supervisor and a subordinate are in a conjugal relationship. The AG's opinion was that the relationship violated the Ethics Act.

But the AG's opinion was just that--- the Ethics Act would prevent a **supervisor** and another employee from working together if they were family members or living in a conjugal relationship. The Dept. of Administration, in promulgating AAM 100.050, has taken that opinion and dramatically expanded its scope.

In defining an "*employment relationship*," the Department expanded it to include a vast number of actions typically completed by non-supervisory employees. As it stands, the Department's new policy, based on its interpretation of the Ethics Act and the March 2005 AG memorandum, has had devastating effects on Alaska's public employees, especially those living and working in rural and Native communities. The policy prohibits one family member from being hired, promoted, or transferred if it results in an employment relationship with another family member. This is true even if neither one of them is a supervisor, based solely on the minutest possibility that one family member may be promoted to a lead or foreman position even if only for a day. As most of you know, many Alaskan communities are so small that most individuals *are* related in some way. The impact on non-supervisory employees is substantial and unnecessary, as it essentially prohibits both supervisory and non-supervisory relationships between family members.

The Department of Administration's policy is affecting everyday working Alaskans in such a way that was never intended by this legislation. Family members who seek to work together in a non-supervisory employment relationship are held to an even stricter standard than legislative branch employees.

Under long-standing state regulations promulgated by the Alaska Labor Relations Agency, a "supervisory employee" is essentially defined as an individual who has authority to act on behalf of the public employer in carrying out supervisory functions, if the exercise of that authority is not just routine but requires the exercise of independent judgment. "Supervisory functions" are defined as the ability to take action in the area of:

- Employment** (hiring, transfers, lay offs, recall),
- Discipline** (suspension, discharge, demotion, issuance of written warnings) or
- Grievance adjudication** (response to a first level grievance under a collective bargaining agreement)

The Department's new nepotism policy, however, prohibits far more than just supervisory relationships.

It bears mentioning that the Ethics Act, in AS 39.52.110(a)(3), was meant to "*distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts of interests that are substantial and material.*"

It is noteworthy that AS 39.52.910(b) of the Ethics Act states: "*The provisions of this chapter supersede the common law on conflicts of interest that may apply to a public officer of an executive-branch agency and any personnel rules relating to conflicts of interests, excluding nepotism, adopted under AS 39.25.*" It is the Union's position that this means the Ethics Act does not and should not supersede the long-standing nepotism statute and regulations, which is the result of the Department of Administration's policy. However, the Union concedes that AS 39.52.910(b) is ambiguous.

The Union suggests an amendment which would limit the affect of the Ethics Act to what the legislature likely intended: to clarify that Ethics Act issues arise in *supervisory* relationships between family members.

This amendment would add a section "(d)" to the Ethics Act provision AS 39.52.910 which would read as follows:

"Nothing in this Act shall supersede the provisions of AS 39.90.020, nor preclude individuals from being in an employment relationship with an immediate family member where neither family member is a supervisor who has authority to act or to effectively recommend action in the interest of the public employer in one of the following supervisory functions, if the exercise of that authority is not merely routine but requires the exercise of independent judgment:

- (a) employing, including hiring, transferring, laying off, or recalling;

- (b) discipline, including suspension, discharge, demotion, or issuance of written warnings; or
- (c) grievance adjudication, including responding to a first level grievance under a collective bargaining agreement.”

We believe that such an amendment would clarify the scope of the Ethics Act and protect working Alaskans, especially those working in small rural and native communities, yet also strike a balance by highlighting the ethical issues involved in familial supervisory relationships.

Thank you.

An Amendment to add a new section to AS 39.52.910 which would read as follows:

(d) Nothing in this Act shall supersede the provisions of AS 39.90.020, nor preclude individuals from being in an employment relationship with an immediate family member where neither family member is a supervisor who has authority to act or to effectively recommend action in the interest of the public employer in one of the following supervisory functions, if the exercise of that authority is not merely routine but requires the exercise of independent judgment:

(a) employing, including hiring, transferring, laying off, or recalling;

(b) discipline, including suspension, discharge, demotion, or issuance of written warnings; or

(c) grievance adjudication, including responding to a first level grievance under a collective bargaining agreement.

