

HB

317

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB317
 () Publish Date: _____

Identifier (file name): HB317-LEG-ETH-01-29-08 Dept. Affected: Legislature
 Title: "An act eliminating the limit on compassionate gifts that a legislator or legislative employee..." RDU: Legislative Council
 Sponsor: "Representative Coghill, Chenault, Johnson..." Component: Select Committee on Legislative Ethics
 Requester: House State Affairs Component Number: 2321

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
 Division: Legislative Affairs Agency
 Approved by: Pamela Varni, Executive Director
Legislative Affairs Agency

Phone: 465-6626
 Date/Time: 1/29/08 3 24 PM
 Date: 1/29/2008

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REPRESENTATIVE JOHN COGHILL

HB 317 - COMPASSIONATE GIFTS

SPONSOR STATEMENT

This legislation was requested by the Select Committee on Legislative Ethics as a fix to an unintended consequence of HB 109, the Governor's ethics bill passed by the Legislature last year. An amendment offered to the Ethics Bill on the House Floor by Representative Dahlstrom allowing for compassionate gifts of less than \$250 from the same person in a calendar year was passed unanimously.

After numerous inquiries from legislative staffers during the interim concerning organ donations and frequent flyer miles, Joyce Anderson, administrator for the Select Committee on Legislative Ethics approached me about repealing the \$250 limit from AS 24.60.075(c). She said the limit did prevent a legislative staffer from donating an organ to another legislative staffer or legislator and it prevented either from donating frequent flyer miles to the other.

One safeguard already in place is the requirement that the chair of the Legislative Council or the chair or vice-chair of the Select Committee on Legislative Ethics must approve the compassionate gift exemption before a legislator or legislative staff can accept compassionate gifts.

The question of donating leave came up during mandatory ethics training. AS 39.30.245(b) already allows an officer or employee of the State to donate accrued personal or annual leave to another officer or employee "only for use as leave for medical reasons".

HB 317 eliminates the less than \$250 limit on compassionate gifts from AS 24.60.075(c) and allows unlimited compassionate contributions, including organ and frequent flyer donations. Mandatory reporting of the compassionate gifts is still required.

**SELECT COMMITTEE ON LEGISLATIVE ETHICS
Alaska State Legislature**

THE ADVISOR

July 2007

Committee Members: Chair Dennis "Skip" Cook, Senator Gary Stevens, Senator Con Bunde, Representative Bob Roses, Representative Berta Gardner, H. Conner Thomas, Ann Rabinowitz, Gary J. Turner and Herman G. Walker Jr.

Alternate Legislative Members: Senator Hollis French, Senator Gary Wilken, Representative Carl Gatto and Representative Lindsey Holmes.

Staff: Joyce Anderson

QUOTE OF THE MONTH: "Always do the right thing. It will gratify some and astonish the rest."

Mark Twain

IMPORTANT NEWS:

Governor Palin signed HB 109, the omnibus Ethics Bill, on Monday, July 9, 2007. Changes to the Legislative Ethics Act became effective Tuesday, July 10, 2007.

This newsletter will highlight some of the areas that require your immediate attention. (See areas in RED.) The Ethics Office is available to answer any questions you may have concerning the changes and will work with you to determine the ethical parameters regarding specific situations.

NEW GIFT REQUIREMENTS and PROHIBITIONS:

AS 24.60.075 and AS 24.60.080

A gift is defined as: money, services, loans, travel, entertainment, hospitality, promise or other form.

Gifts exceeding \$250 in value fall into two categories:

- 1. allowed but must be disclosed**
- 2. prohibited**

GIFTS – COMPASSIONATE REASON

- Compassionate gifts may be received from anyone (including a lobbyist) as long as the aggregate amount does not exceed \$250 in a calendar year from the same person.
 - Compassionate gift requirements apply to legislator, legislative employee and immediate family member
 - Compassionate gift: intended to aid or comfort in contending with a catastrophe, tragedy or health-related emergency
 - Pre-approval required by Legislative Council and Ethics Committee

***** DISCLOSURES *****

AS 24.60.105 and AS 24.60.115

The requirement to file a disclosure applies to legislators, staff to legislators, LAA staff, other legislative staff, employees of the Office of the Ombudsman and Office of Victims' Rights.

NEW REPORTING REQUIREMENTS

- ALL DISCLOSURES are now due within 30 days
 - of the association
 - or receipt of certain gifts
- Annual disclosures: "association" disclosures are due annually within the first 30 days of session
- Final Day of Service disclosures: any disclosures not previously reported are due within 90 days after final day of service

Please review the information below to determine if you need to file a disclosure under the new provisions of the Legislative Ethics Act. The ethics web site, found on the Legislature's home page by clicking on "Ethics" and then "Disclosures," will show an updated list of current disclosures.

ASSOCIATION DISCLOSURES

- Membership on a Board of Directors - AS 24.60.030(f) – Are you an officer or board member of any organization?
NEW – all board memberships must be reported. New board memberships must be disclosed within 30 days of appointment.
ACTION REQUIRED: Complete a disclosure by August 7 of all boards you currently serve on or have served on since April 10, 2007.
- Participation in Certain State Benefit and Loan Programs - AS 24.60.050(c)(d) - Do you presently have an outstanding benefit or loan amount administered through the state?

funds? Always due within 30 days of receipt of the gift.

- **Gift Received by Family Member Because of Legislative Connection – AS 24.60.080(i) -**
Did an immediate family receive a gift worth \$250 or more because of your legislative connection? For example, did a family member accompany you to a conference and some or all of the costs associated with the conference were paid for by an organization/entity. Always due within 30 days of receipt of the gift.
- **Gift of Legal Services Related to Legislative Matters - AS 24.60.080(c)(8) –** Did you receive a gift of legal services related to legislative matters worth \$250 or more? Monetary gifts to be used for legal services must not exceed the gift limit of \$250. In-kind gifts, i.e., reduced rates, pro- bono services, etc. that is more than \$250 in value must be disclosed. Always due within 30 days of receipt of the gift.
- **Gift for Compassionate Reasons - AS 24.60.075 - (NEW Disclosure)**
Compassionate gifts must be pre-approved by Legislative Council and the Ethics Committee. Compassionate gifts requirements apply to a legislator, legislative employee and immediate family member. A compassionate gift is intended to aid or comfort in contending with a catastrophe, tragedy or health-related emergency. Contact the Ethics Office for more information if this exemption applies to you or an immediate family member.

Gift from Another Government – AS 24.60.080(f) – Have you received a gift from another government or official from another government worth \$250 or more? Must be delivered to Legislative Council within 60 days.

IMPORTANT: Fines are levied for late disclosures. The fine is \$2.00 per day up to a maximum of \$100. Committee policy has been to allow for one late disclosure before levying fines. A late disclosure is a “one time only” waiver.

- **NEW** forms for all disclosures are on the ethics website. Discard old forms.
- Please give the Ethics Office a call if you have questions about what to disclose.

When completing disclosures, please keep in mind:

1. PLEASE **PRINT CLEARLY** OR TYPE YOUR DISCLOSURE INFORMATION. Remember, the Ethics Office and the Senate Secretary or House Clerk must be able to read the information on your disclosure form.
2. An original copy of the disclosure is not required. A fax copy is acceptable. Keep the original in your Ethics file for future reference if needed.
3. Please complete all required information. Remember, these are public disclosures and the public has a right to know.
4. Under the “address” section for the discloser, keep in mind if you list your home address, your home address will be printed in the Legislative Journal. It is appropriate to list your legislative office address.

bill, testimony indicated that this provision was designed to permit legislators to report promptly to their constituents on special legislative sessions held after the regular session and before the next state primary or general election.

Section 21 of the bill would require legislators and legislative employees to disclose to the Select Committee every board of an organization on which they serve. Current law requires disclosure only of service on boards of organizations that regularly have substantial interest in the legislator's or legislative employee's legislative activities. A person affected by this disclosure requirement might claim that it violates the right of privacy under art. 1, sec. 22 of the Alaska Constitution and similar protections under the United States Constitution. Article I, sec. 22 provides, in part, that "[t]he right of the people to privacy is recognized and shall not be infringed."

The outcome of a constitutional challenge to the disclosure provision on these grounds is uncertain. Although a challenge might succeed, we believe we could defend that provision in good faith.

Section 22 of the bill would require publication of legislators' and legislative employees' disclosures of their own and immediate family members' interests in state contracts and leases. The disclosures would be published in the appropriate journal or supplemental journal not later than the next regularly scheduled publication of ethics disclosures.

Section 23 of the bill would require that disclosures of legislators' and legislative employees' participation in state programs or loans also be published in the appropriate supplemental journal not later than the next regularly scheduled publication of ethics disclosures. The Select Committee could keep any part of a disclosure confidential if the committee determined that making the entire disclosure public would unjustifiably invade personal privacy.

Section 24 of the bill would eliminate an exception to the Legislative Ethics Act's requirements for reporting close economic associations. Legislators and legislative employees currently must disclose their close economic associations with public officials unless the officials are appointed municipal officers. Section 24 of the bill would eliminate that exception.

Section 25 of the bill would make changes to conform to sec. 16's lobbying prohibition on spouses and domestic partners of legislators and legislative employees.

Section 26 of the bill would create an exemption from gift restrictions in the Legislative Ethics Act for "compassionate gifts." The exemption would allow gift to a legislator or legislative employee to aid or comfort the recipient or a member of the recipient's immediate family because of a catastrophe, tragedy, or health-related emergency. The exemption would apply only if the chair of the Legislative Council and the chair or vice-chair of the Select Committee approved in writing a written request for approval of the gift. The gifts would also be subject to a value limit: the cumulative, fair market value of an individual's compassionate gifts to a particular legislator or legislative employee during a calendar year would be required to be less than \$250.

What is a “compassionate gift?”

“... a solicited or unsolicited gift intended to aid or comfort a recipient or a member of the recipient’s immediate family in contending with a catastrophe, a tragedy, or a health-related emergency.”

AS 24.60.075

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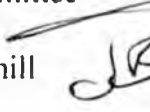
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REPRESENTATIVE JOHN COGHILL

MEMORANDUM

Date: January 23, 2008

To: Representative Bob Lynn, Chairman
House State Affairs Committee

From: Representative John Coghill 

Re: HB 317 - Compassionate Gifts

I am respectfully requesting a hearing for HB 317, "An Act eliminating the limit on compassionate gifts that a legislator or legislative employee may solicit, accept, or receive under the Legislative Ethics Act; and providing for an effective date". I am asking for expediency the hearing be scheduled at your earliest convenience.

I have attached the bill and sponsor statement.

Thank you for your consideration.