

**HB**

**317**

# SENATE COMMITTEE REPORT

DATE: 2/1/08

FURTHER: \_\_\_\_\_

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

State Affairs Committee considered HOUSE BILL NO. 317

## HB 317 COMPASSIONATE GIFT EXEMPTION

"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."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

**SENATE BILL:**  
 Same Title  
 New Title

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**HOUSE BILL:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

**PREVIOUS FISCAL NOTE(S):**

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |

| Department | Date     | Fiscal | Indet. | Zero | FN# |
|------------|----------|--------|--------|------|-----|
| LAA        | 01/29/08 |        |        | ✓    |     |
|            |          |        |        |      |     |
|            |          |        |        |      |     |
|            |          |        |        |      |     |
|            |          |        |        |      |     |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|-------------------|---------|-------------|--------|-------|
|                                 | STREIBER          | ✗       |             |        |       |
| Linda Green                     | Green             | ✓       |             |        |       |
|                                 | Sundt             | ✓       |             |        |       |
|                                 |                   |         |             |        |       |
|                                 |                   |         |             |        |       |
| CHAIR:                          | McBure            | ✓       |             |        |       |

# ALASKA STATE HOUSE OF REPRESENTATIVES

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Room 214**

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.

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**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. I, 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 gifts 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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**Gift of kidney to ailing lawmaker against the rules****ETHICS LAW: Legislative aide wants to donate organ to Nome legislator Richard Foster.**By SEAN COCKERHAM  
scockerham@adn.com

(01/25/08 00:24:53)

JUNEAU -- Nome Rep. Richard Foster is famous at the state Capitol for his love of machine guns and the weekly "Foster Night" musical jam parties he used to host in his Capitol office.

Now Foster is hurting, badly, and his many friends at the state Capitol want to do more than send flowers. A half-dozen offered to donate their kidneys to the ailing legislator. Sue Stancliff, an aide to Fairbanks Rep. Mike Kelly, appears to be a match.

Here's the problem: It appears to be against state ethics law for Stancliff to give Foster a kidney.

Alaska lawmakers tightened the ethics laws last year following the FBI raids on legislative offices and the criminal charges against former legislators. The changes included stricter limits on the gifts that state legislators can receive.

The Legislature did insert a "compassionate gift" exemption into the law to cover items meant as comfort in times of tragedy or a health emergency. But even those gifts can't be worth more than \$250, and donating a kidney is figured to be worth more than that.

That's why North Pole Rep. John Coghill has introduced House Bill 317, which would eliminate the dollar limit on a compassionate gift to a legislator or legislative employee. The gift recipient would still have to disclose the gift within 30 days.

Coghill said the legislative ethics committee approached him and let him know it could be a problem for Stancliff to give Foster her kidney. Coghill said he wants to make sure there are no legal questions.

There would still be the question of whether Foster, who has had heart problems as well as the kidney disease, is strong enough for the procedure.

Foster, 61, suffered a mild stroke on Friday and is undergoing treatment at a Seattle hospital. The stroke left him with some speech and mobility problems, according to his staff, but he is improving.

Dillingham Rep. Bryce Edgmon, Foster's former staffer and longtime friend, said Foster is undergoing a two-week intensive therapy session and is responding well.

He has a two-week, excused absence from the Legislature, and other lawmakers have been assigned to take over his budget subcommittees until he is ready to return.

Even before his latest hospitalization, Foster had to go to a Juneau hospital for dialysis three times a week. The process would leave him dehydrated and drained of energy.

But friends said he was still able to crack cornball jokes.

Foster, a retired air taxi operator first elected to the House in 1988, is a colorful character in the old Alaskan style.

His official legislative Web site lists his interests as "Enjoying the country, Music by Spunk The Dog."

Foster also likes guns, a lot. He faced federal charges in 1991 of illegal possession of unregistered automatic weapons. His stash included two AKs, a German MG 42 from World War II, two British World War II-style Sten guns and a Soviet 50 mm mortar.

The jury in Nome, where Foster was born, quickly found him not guilty on all counts.

Foster is also known for jokes that can crack up somber House floor sessions.

"He'll make you smile on a dark day in this building when smiles are hard to come by," said Stancliff, the legislative aide who wants to give Foster one of her kidneys.

Stancliff, who lives in Tok when the Legislature isn't in session, is the finance committee aide for Fairbanks Republican Rep. Kelly. Foster, a Democrat who aligns with the Republican-led majority, has a seat on the finance committee.

She said Foster would have a newspaper with a hole cut out of it in the finance committee. Then he'd pick up the newspaper and look at her through it, just to make her laugh.

Stancliff said the hope is to do the kidney transplant sometime this spring after the legislative session is over.

"The good Lord gave me two healthy kidneys and my faith is very, very strong," she said.

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Read Sean Cockerham on our politics blog: [adn.com/alaskapolitics](http://adn.com/alaskapolitics).

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PALIN IN VOGUE: The February issue of the fashion magazine is out, and Alaska's governor is in it. She's not wearing glasses.

[adn.com/alaskapolitics](http://adn.com/alaskapolitics)

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# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 317  
 (H) Publish Date: 1/30/08

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  
 Requester: House State Affairs Component Number: Ethics  
 Component Number: 2321

**Expenditures/Revenues** (Thousands of Dollars)

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

|                               | Appropriation<br>Required | Information |            |            |            |            |            |            |
|-------------------------------|---------------------------|-------------|------------|------------|------------|------------|------------|------------|
|                               |                           | FY 2008     | FY 2009    | FY 2010    | FY 2011    | FY 2012    | FY 2013    | FY 2014    |
| <b>OPERATING EXPENDITURES</b> |                           |             |            |            |            |            |            |            |
| Personal Services             |                           |             |            |            |            |            |            |            |
| Travel                        |                           |             |            |            |            |            |            |            |
| Contractual                   |                           |             |            |            |            |            |            |            |
| Supplies                      |                           |             |            |            |            |            |            |            |
| Equipment                     |                           |             |            |            |            |            |            |            |
| Land & Structures             |                           |             |            |            |            |            |            |            |
| Grants & Claims               |                           |             |            |            |            |            |            |            |
| Miscellaneous                 |                           |             |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b>        |                           | <b>0.0</b>  | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|                            |  |            |            |            |            |            |            |            |
|----------------------------|--|------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts      |  |            |            |            |            |            |            |            |
| 1003 GF Match              |  |            |            |            |            |            |            |            |
| 1004 GF                    |  |            |            |            |            |            |            |            |
| 1005 GF/Program Receipts   |  |            |            |            |            |            |            |            |
| 1037 GF/Mental Health      |  |            |            |            |            |            |            |            |
| Other Interagency Receipts |  |            |            |            |            |            |            |            |
| <b>TOTAL</b>               |  | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

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