

**SB**

**20**

# SENATE COMMITTEE REPORT

DATE: 1/26/07

FURTHER: Finance

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

State Affairs Committee considered SENATE BILL NO. 20

## SB 20 LEGISLATIVE DISCLOSURES

"An Act relating to disclosure to the Alaska Public Offices Commission of information about certain income received as compensation for personal services by legislators, public members of the Select Committee on Legislative Ethics, and legislative directors subject to the Legislative Ethics Act; and providing for an effective date."

and recommends:

- be replaced with  SCS or  CS SB 20 (STA)
- adopt previous  SCS or  CS \_\_\_\_\_
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
<b>HOUSE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

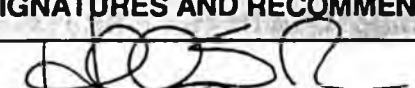


**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
ADMN	01/29			✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
ADMN	01/22			✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
		X			
		X			
Linda Green		✓			
Brende		✓			
CHAIR: 	McClure	X			

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB020-DOA-APOC-1-22-07  
 ( ) Publish Date: 1/16/2007

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title An Act relating to disclosure to the Alaska Public RDU AK Public Offices Commission  
Offices Commission of information about... Component AK Public Offices Commission  
 Sponsor Senators French, Elton, McGuire, et al.  
 Requester Senate Judiciary Component No. 70

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<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>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
<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>

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill requires that dividends received from a limited liability company must be reported as a source of income on a legislator's financial disclosure statement. It also requires that when a legislator performs services, such as consulting services, he or she must provide a description of the services provided and the total number of hours that are spent performing the services. Lastly, it removes the requirement that amount of income need only be disclosed for sources that have a substantial interest in legislative, administrative or political action. Rather amounts will be required for all income in excess of \$1000.

Prepared by: Brooke Miles, Executive Director Phone 465-2200  
 Division: Alaska Public Offices Commission Date/Time 1/22/2007 11:10 a.m.  
 Approved by: Melanie Millhorn, Deputy Commissioner Date 1/22/2007  
 Agency: Department of Administration

(NEW)  
**FISCAL NOTE**

**STATE OF ALASKA  
2007 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSSB020-DCA-APOC-1-29-07  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title An Act relating to disclosure to the Alaska Public RDU AK Public Offices Commission  
Offices Commission of information about... Component AK Public Offices Commission  
Sponsor Senators French, Elton, McGuire, et al.  
Requester Senate State Affairs Component No. 70

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<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>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type—Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
<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>

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill requires that dividends received from a limited liability company must be reported as a source of income on a legislator's financial disclosure statement. It also requires that when a legislator performs services, such as consulting services, he or she must provide a description of the services provided and the total number of hours that are spent performing the services. Lastly, it removes the requirement that amount of income need only be disclosed for sources that have a substantial interest in legislative, administrative, or political action. Rather amounts will be required for all income in excess of \$1000.

This bill should have no fiscal impact on the Alaska Public Offices Commission.

Prepared by: Brooke Miles, Executive Director  
Division: Alaska Public Offices Commission  
Approved by: Kevin Brooks  
Agency: Department of Administration

Phone 465-2200  
Date/Time 1/29/07 1:26 PM  
Date 1/29/2007

# Alaska State Legislature



Senator Hollis French

## Sponsor Statement

### SB 20 – Legislative Disclosures

---

SB20 is a simple bill designed to clarify Alaska Public Office Commission reporting requirements for legislators and other public officials.

Under the current legislative ethics code a public official must disclose the nature of any work performed as personal services for which compensation greater than \$1000 is received. SB20 simply adds language to the existing statute to require the filer to provide a substantive description of what was done for the contract, as well as the approximate number of hours spent.

The public has repeatedly appealed for more substantive disclosures, and SB20 provides the increased degree of openness they are calling for. This will assure the public that the compensation public officials receive for outside work does not conflict in any way with their public duties, without unduly burdening citizen legislators who perform legitimate duties outside of the public realm.

The clarification the bill provides will also help APOC fulfill its mission of encouraging the public's confidence in their elected and appointed officials.

Please join me in support of this important ethics legislation.

# Alaska State Legislature



**Senator Hollis French**

**SB 20 – Disclosure**

**Sectional Analysis**

**Section 1** makes four changes to the current statute.

Lines 3-4 add to the statute the requirement to report dividends received for personal services from limited liability companies.

Lines 6-9 add to the statute the requirement to describe the nature of the services performed in exchange for income with enough detail to inform a person with ordinary understanding, unless the services were rendered pursuant to a professional license.

Lines 10-11 add to the statute the requirement to report the total number of hours that either were spent or will be spent in performing the services

Lines 12-17 rewrite paragraph (C) of the existing statute to require that the amount of income received from each source by a legislator or legislative director be disclosed. The bill removes the condition that the source of income be known to have a substantial interest in legislative, administrative or political action.

**Section 2** adds a definition of “professional license”

**Section 3** sets the effective date at July 1, 2007

Rep. Holmes ←

To Gov. Palin & each Alaska legislator

**PETITION**

**Re: Permission to Testify about Effectively Dealing with Corruption in State Government**

I petition you to allow me to address, in open meeting, Alaska elected officials about dealing with representative government incompetence, corruption and poor ethics. My authority to command your attention is the inherent sovereignty of an informed citizen over government, as recognized by the Alaska and US Constitutions. By your oaths of office, I conjure you to recognize this.

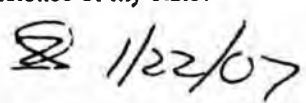
For courtesy's sake, I resubmit, in the attached published letters, the foundation of my testimony and idea for simply controlling corruption and ethics standards in government. This is so you can reasonably determine that I am sensible and sincere.

I ask for this widest possible official audience because of my treatment at the hands of state lawmakers and the governor last year. My petition to be heard by the House and Senate Rules committees, concerning inoculating lawmakers against destructive ignorance, prejudice and corruption, was refused - though they had proper jurisdiction over legislative rules. I have documented evidence of this. I reported this rejection and a summary of my intended testimony and solution to the governor and all 60 legislators. Only about 8 lawmakers responded. None expressed interest in a simple proven solution to controlling ethics lapses and corruption, or recognized the corruption inherent in what I experienced. I have documented evidence of this. Yet I only wanted to help the Legislature improve its performance and ethics standards in a gentle fashion. This year, corruption and ethics are now being given emergency attention. This is apparently due to the attitude of the new governor, embarrassment over the gross corruption uncovered by the FBI, and embarrassment over ethics lapses now being punished by APOC. I hope I will now be decently treated.

My testimony will verifiably show that:

1. the current measures being considered against corruption and ethics lapses are acceptable, but are superficial. Such solutions naturally permit problems to mutate until those solutions later no longer work.
2. the full discipline of our constitutional form of government is itself the ultimate control over corruption - if enough of it known and fully practiced. Our republican form of government is based on a vastly verified study and debate by our founding fathers about the strengths and weaknesses of all other government forms that preceded it. So failures to control corruption and ethics lapses are actually evidence of cooperative incompetence at using the constitutional devices and disciplines that make up our political heritage.
3. the common solution lawmakers are using to address their overwhelm from the volume of legislative material naturally leads to corruption. Specifically, addiction to trusted lobbyists and practicing follow-your-caucus-leader is discredited by the history of aristocrats and monarchs. People-based information, and research support for leaders is practically unknown, much less used, despite our political heritage from early America and from our Alaska native cultures.
4. the example set by modern elected representatives and chief executives is probably the most major influence behind skyrocketing high school dropouts and disinterest in learning. Youth consistently see how people must join an aristocracy - born of money, "who you know", prominence and popularity in the community, and name recognition - to be elected to run things or to be empowered to call the shots. Why know history, civics, math or even how to study if you can get "experts" and advisors to know this for you when you're in power?
5. there is a simple remedy for current conditions that is historically proven.

May I please be given the respect of a public hearing before legislators so I can discharge my duty of preserving the existence of my state?

 1/22/07

Stuart L. Thompson

Direct responses to [stuart@stuartlthompson.com](mailto:stuart@stuartlthompson.com) or VM 1-877-950-7980 as am currently working in SE cities  
Permanent address PO Box 870702, Wasilla, AK 99687

**ON SUBMISSIONS**

The Editor. Letters will be edited for length, but factual accuracy and a civil tone are required. All letters, including e-mail, must include a phone number for verification.



**'Educated competence' needed in government**

To the editor:  
People moan about political corruption, destructive partisanship by representatives, and undue influence by special interests, yet carelessly accept empty rhetoric from politicians. Let's talk seriously about making our form of government work to its potential.

Consider that the Alaska Constitution's Article 2, Sect. 12, last sentence reads: "The legislature shall regulate lobbying."

What? This is the very thing that nearly all Alaskans complain the Legislature doesn't do enough of. Here are excuses given by past and present politicians for brushing this off:

A- "Lobbying is part of the fabric of democracy." Yet common sense shows lobbying works best to the degree just a few or one person calls the political shots, which sounds like aristocracy or monarchy in action. History calls efficient lobbying "having the ear of the king."

B- "Lobbyists perform valuable educational and research services for the legislature on complex issues." Yet it's self-evident that whoever controls the information diet of a mind controls most of its conclusions and decisions.

What powers such hypocrisy?

Basically, current political traditions and practices are increasingly turning away from people-based government principles. Example: how to successfully harvest and organize a population's ideas, contributions and efforts toward state and national goals is rarely practiced, or even understood.

See LETTERS, Page A5

**LETTERS**

Continued from Page A4

This is demonstrated by the common assertion "Representatives are elected to make the hard decisions for everyone." Yet this defines aristocracy, not representative government.

Furthermore, politicians who rebel against "how things are done" are suppressed and demoralized by our modern tradition-oriented political infrastructure. Consequently, it's why citizen apathy is never actually addressed. Apathy serves benevolent elected aristocrats that masquerade as representatives very well.

How have political traditions come to have more influence than constitutional oaths of office? Well, consider this. U.S. founding fathers were at least partially educated in Greek and Latin. This naturally drove their comprehension and use of English words derived from these languages.

The word "represent" is derived from Latin words for "show or give again." This obviously applies to a constitutional republic that is supposed to reflect the will and ideas of its citizens.

But modern dictionaries and politicians give the word "represent" in government another meaning. They use "be an agent or official in behalf of."

Yes. Look it up.  
This goes beyond the original theory of Congress acting as a check against mob rule. An agent by definition isn't required to reflect the ideas and thinking of his clients. He just has to provide for their

well-being and interests based on his judgment of realities.

Now you see why even well-meaning elected officials tend to ignore their constituents in favor of knowledgeable lobbyists. It's obviously more efficient for an "agent" to do so.

Consequently, "we" citizens have to pass initiatives about lobbying and even, in desperation, attempt to move the Capitol. Unbelievably, all this visibly proceeds from faulty comprehension of just one key word.

There's an easy and inexpensive way to change all this. Our Legislature is constitutionally commanded to provide rules to maximize cooperative efficiency for doing the public's business (Article 2, Sect 12). But current legislative rules fail to include the most successful method of all time at accomplishing just that. The Rules don't require on-the-job self-education by legislators about the craft of government. Yet true professionals have always proven commitment to results and ethical standards through career-long self-education about their work. Why should Alaska lawmakers be any different?

In remedy, the Legislature could pass this simple rule:

"Each member of the Legislature shall spend at least three hours per week each session personally studying government forms and lawmaking, including histories of their successes and failures. At the beginning of each term, each legislator shall take a voluntary exam about government to have a benchmark to individualize personal studies.

The regularly freshened exam shall be composed by Alaska's social studies teachers, under the supervision of the Lt Governor's office, with Alaska Supreme Court oversight."

Let's make our government run on educated competence

Stuart Thompson



# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB020-DOA-APOC-1-22-07  
 ( ) Publish Date: 1/16/2007

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title An Act relating to disclosure to the Alaska Public RDU AK Public Offices Commission  
Offices Commission of information about... Component AK Public Offices Commission  
 Sponsor Senators French, Elton, McGuire, et al.  
 Requester Senate Judiciary Component No. 70

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<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>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type-Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
<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>

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill requires that dividends received from a limited liability company must be reported as a source of income on a legislator's financial disclosure statement. It also requires that when a legislator performs services, such as consulting services, he or she must provide a description of the services provided and the total number of hours that are spent performing the services. Lastly, it removes the requirement that amount of income need only be disclosed for sources that have a substantial interest in legislative, administrative, or political action. Rather amounts will be required for all income in excess of \$1000.

Prepared by: Brooke Miles, Executive Director  
 Division: Alaska Public Offices Commission  
 Approved by: Melanie Millhorn, Deputy Commissioner  
 Agency: Department of Administration

Phone 465-2200  
 Date/Time 1/22/2007 11:10 a.m.  
 Date 1/22/2007