

HB

244

<TARGET><BILL>HB 244</BILL><SUBJECT>HB
244</SUBJECT><COMM>HSTA29</COMM></TARGET>

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

MEMORANDUM

DATE: January 25, 2016
TO: Representative Bob Lynn
FROM: Representative Les Gara
RE: Hearing Request for HB 244

I respectfully request that House Bill 244, relating to limiting legislative reimbursement for hotels, meals, and certain per diem be scheduled for a hearing in House State Affairs Committee. Please feel free to contact me, or my aide Molly Carver, with questions or thoughts at 465-2647.

Attached you will find a background packet for HB 244. This includes the current version of the bill, a sponsor statement, a sectional analysis, and supporting documents.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Les Gara", with a long horizontal flourish extending to the right.

Representative Les Gara

29-LS1218E
Nauman
1/21/16

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 244
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES GARA, Ortiz, Drummond

Introduced:
Referred:

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to annual allowances for legislators; and relating to the payment of per**
2 **diem to legislators and the staff of legislators."**

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

4 * **Section 1.** AS 24.10.110 is amended to read:

5 **Sec. 24.10.110. Annual [ADDITIONAL] allowances. Each [IN ADDITION,**
6 EACH] member of the legislature is entitled to an annual allowance prescribed in
7 accordance with AS 39.23 for postage, stationery, stenographic services, and other
8 expenses.

9 * **Sec. 2.** AS 24.10.110 is amended by adding a new subsection to read:

10 (b) If a legislator or staff member of a legislator is traveling outside the
11 community of residence of the legislator or staff member or outside the community of
12 a legislative session during a legislative session, the following limits apply to the
13 amount paid or reimbursed from the annual allowance:

14 (1) \$8 for breakfast, \$8 for lunch, and \$12 for dinner;

1 (2) for lodging, the maximum lodging per diem rate published by the
2 federal government.

3 * **Sec. 3.** AS 24.10.130 is amended by adding new subsections to read:

4 (d) A legislator or staff member of a legislator is not entitled to per diem for
5 meals in excess of \$8 for breakfast, \$8 for lunch, and \$12 for dinner or for lodging
6 costing more than \$150 a night. If the maximum lodging per diem rate published by
7 the federal government for the locality of the stay exceeds \$150, the annual allowance
8 of the legislator may be used to reimburse the legislator or staff member of the
9 legislator in the amount that the actual cost of the lodging exceeds \$150, except that
10 the sum of per diem and reimbursement from the annual allowance may not exceed
11 the maximum lodging per diem rate published by the federal government for the
12 locality.

13 (e) Per diem paid under this section to a legislator or staff member of a
14 legislator must be supported by a receipt. Per diem may not be paid to a legislator or
15 staff member of a legislator for an amount in excess of the amount supported by a
16 receipt.

17 (f) During a special session of the legislature, a legislator or staff member of a
18 legislator may not receive per diem for any night in which the legislator or staff
19 member resides in the legislator's or staff member's community of residence.

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

Sponsor Statement to House Bill 224: Limiting Legislator Hotel, Meal, Special Session Per Diem Pay and Reimbursement

To fix the state's significant fiscal gap, the legislature needs to show the public that it, too, is cutting perks we cannot afford.

This bill limits state reimbursement in a few ways.

Hotel Reimbursement: Currently a legislator can stay in any hotel they wish, and receive direct reimbursement. Or they can ask for the federal per diem rate, which varies by city, and seasonal cost changes. For example, last year in Seattle the summer federal lodging per diem rate was roughly \$300/night. Most legislators found cheaper places to stay, and some billed for high cost hotels. This bill limits lodging reimbursement at \$150 per night, with proof of a receipt so per diem is not paid if a legislator stays with a friend, or other no-cost location. In addition, if a legislator travels for legislative business to a place with high hotel costs, they can use their personal office accounts for the actual cost amount above \$150/night, but only up to the federal lodging per diem rate for that city/time of year.

Meal Reimbursement: In Seattle last summer, a legislator could seek \$74/day for breakfast, lunch and dinner. If \$20 is paid for breakfast and lunch this leaves for a \$50 dinner. If \$30 is paid for breakfast and lunch, this leaves for a \$40 dinner. That is excessive. When at home, people pay for their own food. The state should not pay substantial amounts for a legislator's food when they travel. In tight times, the bill allows a legislator basic food costs, and the legislator, if they wish for a better meal, can pay the remainder out of personal funds. The bill limits reimbursement to \$8 for breakfast, \$8 for lunch, and \$12 for dinner. As when at home, a legislator can pay for food costs when travelling, and for a more expensive meal they will have to use personal funds.

Special Session Per Diem: This bill limits special session per diem to those legislators who travel from their home districts and have to sleep in a hotel. The legislature may or may not want to discuss creating an exception for Juneau legislators during special session, who both receive a smaller amount and pay taxes on their per diem. This results in a roughly 50% lower amount than other legislators. The bill, as written, does not contain a different rule for Juneau legislators at this time.

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

Sectional Analysis for House Bill 224, limiting legislative reimbursement for hotels, meals, and certain per diem.

Section 1 adds conforming language.

Section 2 adds a new subsection that limits the amount a legislator or staff member may receive for meals to \$8 for breakfast, \$8 for lunch, and \$12 for dinner.

Section 3 Sub-section (e) also caps the amount of per diem a legislator or staff member may receive for meals to \$8 for breakfast, \$8 for lunch, and \$12 for dinner. Legislators or staff members are also prohibited from receiving lodging expenses in excess of \$150 a night. This sections allows the legislator to use their annual allowance account to reimburse the legislator or staff member if the maximum lodging rate for per diem (as published by the federal government) in a certain locality exceeds \$150 and the legislator or staff member incurs lodging expenses up to that amount. Sub-section (f) also requires per diem paid by the legislator or staff member to be supported by a receipt. Sub-section (g) prohibits legislators or staff members from receiving per diem during a special session for any night they spend in their community of residence.

From: Kevin Prestegard
Sent: Wednesday, December 30, 2015 1:03 PM
To: LAA Travel <laa.travel@akleg.gov>
Subject: Travel Seattle question

Hello,

I have a hypothetical question, if my boss Representative Gara wanted to go to Seattle for a conference this upcoming July, what would be the cap for the lodging per-diem he could use? Separate from that what would the food per-diem be, and if he ate breakfast at the conference for free but had to pay for lunch and dinner for that day would that change the meal per-diem? All the numbers of course using the current rates, since they mite change in the future.

Happy Holidays,
Kevin Prestegard
907-269-0142
kevin.prestegard@akleg.gov

From: Jessica Geary
Sent: Wednesday, December 30, 2015 1:32 PM
To: Kevin Prestegard
Cc: LAA Travel
Subject: RE: Travel Seattle question

Hi Kevin,

This is an extremely convoluted question. I will try my best to answer it for you.

Your boss would be responsible for filling out his travel reimbursement claim form to match the facts and circumstances of the trip as they happened. He would sign the bottom of his form, certifying the accuracy and completeness of his form. If he ate breakfast and lunch, provided by the conference – but didn't eat dinner – he would check the breakfast and lunch box and leave the dinner box unchecked. Breakfast accounts for 21% of the meal rate, lunch accounts for 26% and dinner accounts for 53%. The M&IE per diem rate is currently \$74/day for King County. If he claimed dinner per diem only for that day, he would get \$40.

As for lodging, he would turn in a receipt for the hotel that he stayed in. It should be for a single occupancy hotel room. We would only pay hotel and taxes.

All incidental expenses are the responsibility of the traveler.

If a traveler doesn't turn in a hotel receipt, they either check the box that they do not want lodging per diem, as they didn't incur a lodging expense - or they check the box that they would like to claim per diem in lieu of receipt.

HB 244 Supporting Document 1

Source: Jessica Geary, Legislative Affairs Agency

If they claim lodging per diem, they are bound to the federal per diem rate, which is currently set at \$202/day in Seattle in July.

Hope that answers your questions.

Happy New Year!

Jessica

Jessica Geary, Finance Manager

Legislative Affairs Agency

465-6626

Please note new email address:

Jessica.Geary@akleg.gov