

SB

4

<TARGET><BILL>SB 4</BILL><SUBJECT>SB
4</SUBJECT><COMM>SJUD29</COMM></TARGET>

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: SB 4
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB004-DOA-APOC-02-26-2015
Title: FINL. DISCLOSURE: LEGIS AND PUB OFFICIALS
Sponsor: GIESSEL
Requester: Senate State Affairs

Department: Department of Administration
Appropriation: Alaska Public Offices Commission
Allocation: Alaska Public Offices Commission
OMB Component Number: 70

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: <u>Paul Dauphinais, Executive Director</u>	Phone: <u>(907)276-4176</u>
Division: <u>Alaska Public Offices Commission</u>	Date: <u>02/26/2015 09:30 AM</u>
Approved By: <u>Sheldon Fisher, Commissioner</u>	Date: <u>02/26/15</u>
Agency: <u>Department of Administration</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. SB 4

Analysis

Changes AS 24.60.201(a) to have the due date of annual Legislative Financial Disclosure changed from March 15 to May 15;

Changes AS 24.60.250(a) to make the due dates for annual financial disclosure reports in that section congruent to AS 24.60.201(a);

Changes AS 39.50.020(a) to make the due dates for annual Public Official Financial Disclosure filings May 15 rather than the current date of March 15.

As written this bill would not an impact on the agency's budget, therefore the agency submits a zero fiscal note.

ALASKA STATE LEGISLATURE

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Anchorage AK 99501-2133
907-269-0181
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State Capitol
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North to the Future

Senator Cathy Giessel
Senate District N

SPONSOR STATEMENT FOR SENATE BILL 4

SB 4 amends the filing date for the Annual Public Official Financial Disclosure which is required by the Alaska Public Offices Commission (APOC). Currently, the disclosure is due on March 15th of each year. SB 4 changes the due date to May 15th of each year. APOC requires annual financial disclosures from all citizens serving on certain boards and commissions, as well as public officials statewide.

Moving the date to May 15 of each year, after the federal tax deadline of April 15, will assist citizens who serve on certain boards and commissions. The information required in the Annual Public Official Financial Disclosure is contained in the federal tax form 1040. Changing the date to May 15 allows citizens on boards and commissions to simply transfer this information accurately to their Annual Public Official Financial Disclosure.

Many public officials are involved in the legislative process and amending this date will benefit them as well. Moving the date back 2 months will allow public officials to remain focused on committee actions, legislation, and other time consuming legislative issues during the 90-day session.

The current due date of March 15th for the Annual Public Official Financial Disclosure falls in the middle of the Alaska State Legislative session. By amending the due date to May 15th, this will allow for the disclosure to be filed after the legislative session has adjourned. This change would not alter any APOC disclosure requirements contained within the Annual Public Official Financial Disclosure document.

Please join me in support of Senate Bill 4.

Chair Senate Resources Committee I Vice Chair State Affairs I Vice Chair Community & Regional Affairs

Senator.Cathy.Giessel@akleg.gov

ALASKA STATE LEGISLATURE

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North to the Future

Senator Cathy Giessel
Senate District N

Senate Bill 4 – Explanation of Changes

From version 29-LS0082\A
to version 29-LS0082\W

*Section 3: Amends AS 39.50.020(a)

Incorporates Public Officials and certain boards and commissions.

Chair Senate Resources Committee | Vice-Chair Health & Social Services | Vice-Chair Labor & Commerce

Senator.Cathy.Giessel@akleg.gov



Alaska Department of Administration

Alaska Public Offices Commission

 search

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Who Must File

- judicial officers
- the governor or the lieutenant governor
- A person hired or appointed in a department in the executive branch as
- the head or deputy head of a department the director or deputy director of a division
- a special assistant to the head of the department
- a person serving as the legislative liaison for the department
- an assistant to the governor or the lieutenant governor
- the chair or a member of a state commission or board subject to AS 39.50
- state investment officers and the state comptroller in the Department of Revenue
- the executive director of the Alaska Tourism Marketing Council
- the chief procurement officer appointed under AS 36.50.010
- the executive director of the Alaska Human Resource Investment Council
- each appointed or elected municipal officer
- non-incumbent state candidates
- municipal candidates subject to AS 39.50

APOC Online Forms

(sadedog) [Logout](#)[HOME](#) [POFD/LFD](#) [GROUPS/ENTITIES](#) [CANDIDATES](#) [LOBBYING](#) [INDEPENDENT EXPENDITURES](#) [ADMINISTRATION](#)

State of Alaska > Department of Administration > APOC > Online Forms > POFD/LFD

FINANCIAL DISCLOSURE STATEMENT

INSTRUCTIONS

PUBLIC OFFICIALS MUST FILE:

- Initial Statements: Due within **30 days** after taking office as a public official.
- Annual Statements: Due annually on **March 15th**; cover activity from the prior calendar year.
- Final Statements: Due within **90 days** after leaving office; cover any period during the official's service for which the public official has not already filed a statement.

CANDIDATES MUST FILE:

- State Candidates: File with Division of Elections, when filing for candidacy.
- Municipal Candidates: File a printed copy of this report with Municipal Clerk when filing for candidacy; check Municipal Clerk for deadlines.

Please [contact APOC staff](#) with any questions about this form:

- Email: doa.poc.apocforms_feedback@alaska.gov
- Phone: (800) 478-4176 Statewide Toll Free
(907) 276-4176 Anchorage
(907) 465-4864 Juneau
- In Person: 2221 E. Northern Lights Blvd., Rm. 128, Anchorage, AK 99508
240 Main St., Rm. 500, Juneau, AK 99811

Before beginning this form:

1. Please collect any necessary financial documentation that will assist you with filling out this form. For example, you will need information regarding income, property, and other assets.
2. Please be aware that it may take a significant amount of time to complete this form and plan accordingly. Once you begin, you may save the data you have already entered by clicking the "Save & resume later" button at the bottom of the screen.
3. Please remember that once submitted this form becomes a public document. Do not include confidential information such as social security numbers and bank account numbers.

THIS REPORT IS A SWORN STATEMENT. YOUR SIGNATURE ON THE LAST PAGE CERTIFIES THAT THIS DISCLOSURE IS TRUE, CORRECT and COMPLETE.

Cancel

Start

APOC Financial Disclosure

Appointment to a state board or commission may qualify you as a public official. By law, the legislature requires public officials to disclose financial information in order to inform the public of any potential conflicts of interest that may arise due to actions of the board or commission to which you are appointed. (Please see the final page of this document (“Boards & Commissions—APOC List”) for a list of those boards and commissions whose members are required to file these disclosures.

The Public Official Financial Disclosure (POFD) is due within 30 days after taking office as a public official. Annual POFDs are due by March 15, and cover any financial activity from the prior calendar year. Final POFDs are due within 90 days after leaving office as a public official.

For Alaska state boards and commissions members requiring financial disclosure, you will be asked to disclose the following information regarding income sources and business interests. As a board member, your POFD form will not be online and searchable to the public. A copy of the submitted document can be requested on an individual basis through APOC.

When disclosing income, you will be asked to make one of the following selections. Please note, this option applies to income disclosures that say **“choose/income option”**:

- More than \$250 and no more than \$1,000, for gifts only
- More than \$1,000 and no more than \$2,000
- More than \$2,000 and no more than \$5,000
- More than \$5,000 and no more than \$10,000
- More than \$10,000 and no more than \$20,000
- More than \$20,000 and no more than \$50,000
- More than \$100,000 and no more than \$200,000
- More than \$200,000 and no more than \$500,000
- More than \$500,000 and no more than \$1,000,000
- More than \$1,000,000

Salaried Employment- Choose/income option

- Income means anything of value and covers all forms of compensation or benefits received from an employer; compensation or benefits include wages, salary, commissions, tips, bonuses, housing, use of an automobile and deferred compensation.
- Report each employer who paid you, your spouse, domestic partner or children covered by reporting requirements more than \$1,000.
- Include amount of income, dates of employment, terms of employment, amount of time worked. Describe the work performed in sufficient detail to make it clear to a person of ordinary understanding.

Self Employed income- Choose/income option

- List each source of self-employment income over \$1000 by name and amount. Income means anything of value and covers all forms of compensation, including deferred income and attorney contingency fees

- Disclose each client, customer or business that paid you, your spouse/domestic partner or child more than \$1,000. Self-employment includes sole proprietors, partnerships, limited liability companies, professional corporations.

Rental Income- Choose/income option

- If any person paid more than \$1000 in rent during the preceding calendar year, report the name of the person and the amount of the rent paid, and, if the property is managed by a person other than the filer or a family member of the filer, additionally report the manager's name.

Dividends, Interest & Other Business/Investment Distributions of Earnings-

Choose/income option

- Please remember to add your PFDs to this section if applicable.
- Disclose source and amount of income over \$1000 received from dividends, interest and other distributions of earnings from a business or investment
- Include dividends or interest received from bank accounts, capital gains, money market accounts, certificates of deposit, Native corporation dividends, Permanent Fund dividends
- Note: This section refers only to amounts received during the reporting period; there is a separate section for disclosing business interest information.

Other Income – Choose/income option

- List source and amount of income over \$1,000 not listed elsewhere in this form, including sale of goods or property, taxable capital gains, pensions, retirement account cash-outs, government entitlements, alimony or child support payments, honoraria and any other payments not otherwise accounted for.

Gifts worth More than \$250

- Report all gifts worth more than \$250 (including gifts from a single source with a cumulative value of more than \$250). Include travel expenses, discounts not available to the public, loans forgiven or loans paid by a third party. Do not report gifts from spouse, domestic partner, parent, dependent child, sibling, grandparent, aunt, uncle, niece or nephew.

Business Interests

- Report business interests even if they were NOT a source of income, including businesses in which the filer or family member (spouse, domestic partner, dependent children and for legislative branch filers ONLY – nondependent children living with the filer):
 - Served as stockholder, owner, officer, director, partner, proprietor, employee or held an interest.
 - Had ownership interests of more than \$1,000 in a publicly traded corporation.
 - Had any other ownership interest in a business, including shares in non-publicly traded corporations, sole proprietorships, and limited liability companies. Include options to buy.
 - Include non-profit organizations, corporations, businesses, associations, trade groups.

Real Property Interests

- Report an interest in real property by the address or other legal description of the property, except that a primary residence or recreational property held for personal use may be described only by zip code.
- Report the nature of the interest that the filer or family member held in the property; the nature of interests to be reported includes fee simple ownership, tenancy in common, general or limited partnership interest, and holder of an option to purchase.

Trusts, Retirement Accounts or Other Beneficial Interests

- Report each trust, retirement account or other beneficial interest that exceeded \$1,000 during the reporting period, including a state or federally administered retirement system plan, employee pension plans, profit-sharing trusts, family trust, education trusts, deferred compensation plans, annuity plans or any other similar arrangement intended to provide future income the filer or family member.
- Identify individual investments accounts if you or family members manage or personally control the investments.

Loans, Loan Guarantees & Debts over \$1,000

- Report each creditor or lender to whom more than \$1,000 was owed during the reporting period.
- Report guarantor of each loan.
- List financial obligations, including mortgages on property owned or sold during the reporting period; loans that have been guaranteed; delinquent taxes; alimony; child support payments; medical bills; boat and vehicle loans; business and personal loans; escrows; student loans; signature loans and promissory notes.
- Loans include secured, unsecured and contingent loans.
- Do NOT list credit card obligations or revolving charge accounts.

Government Contracts & Offers to Contract

- List all contracts, bids and offers to contract with the state or any state or municipal agency or entity.
- Report contract interests as individual, sole proprietor, family member, partnership, professional corporation, Limited Liability Company or through a corporation in which filer or family members held a controlling interest.

Natural Resource Leases

- List natural resource leases – including mineral, timber, oil and gas leases – held, bid or offered during the reporting period.
- Report lease interests as individual, sole proprietor, family member, partnership, professional corporation, Limited Liability Company; or corporation in which you or family (individually or together) held controlling interest.

Boards & Commissions—APOC List

ALASKA AEROSPACE CORPORATION
BOARD OF AGRICULTURE AND CONSERVATION
ALASKA ENERGY AUTHORITY
ALASKA RETIREMENT MANAGEMENT BOARD
ALCOHOLIC BEVERAGE CONTROL BOARD
ALASKA STATE COUNCIL ON THE ARTS
STATE ASSESSMENT REVIEW BOARD
BIG GAME COMMERCIAL SERVICES BOARD
ALASKA PUBLIC BROADCASTING COMMISSION
COMMERCIAL FISHERIES ENTRY COMMISSION
COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT
BOARD OF EDUCATION AND EARLY DEVELOPMENT
BOARD OF FISHERIES
FISHERMEN'S FUND ADVISORY AND APPEALS COUNCIL
BOARD OF GAME
ALASKA HOUSING FINANCE CORPORATION
STATE COMMISSION ON HUMAN RIGHTS
ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
COMMISSION JUDICIAL CONDUCT
ALASKA JUDICIAL COUNCIL
KNIK ARM BRIDGE AND TOLL AUTHORITY
ALASKA LABOR RELATIONS AGENCY
LOCAL BOUNDARY COMMISSION
ALASKA MENTAL HEALTH TRUST AUTHORITY
ALASKA MUNICIPAL BOND BANK
OCCUPATIONAL SAFETY AND HEALTH REVIEW BOARD
ALASKA OIL AND GAS CONSERVATION COMMISSION
STATE BOARD OF PAROLE
ALASKA PERMANENT FUND CORPORATION
PERSONNEL BOARD
ALASKA COMMISSION ON POSTSECONDARY EDUCATION
ALASKA PUBLIC OFFICES COMMISSION
ALASKA RAILROAD CORPORATION
REGULATORY COMMISSION OF ALASKA
ALASKA ROYALTY OIL AND GAS DEVELOPMENT BOARD
ALASKA SEAFOOD MARKETING INSTITUTE
UNIVERSITY OF ALASKA BOARD OF REGENTS
ALASKA WORKERS' COMPENSATION BOARD
ALASKA WORKFORCE INVESTMENT BOARD

Jon Cook
P.O. Box 71577
Fairbanks, AK 99707
(907)322-0362
joncook@gci.net

March 5, 2015

Senator Cathy Giessel
Sent Via Email

Re: SB 4

Dear Senator Giessel:

I would like to voice my personal support for SB 4. I have the honor and pleasure to serve on a public board. My board seat is subject to extremely detailed financial disclosure requirements, as is the case for hundreds of other Alaskans who serve on similar boards. The current POFD deadline of March 15, which is earlier than the April 15th personal federal income tax filing deadline, places a significant and undue burden on me and many others who serve on public boards to comply with an unrealistic deadline.

The IRS does not require W-2's and 1099's to be completed until January 31, 1098's from brokerage firms are not required to be mailed until February 15th. Corporate returns are due March 15 and, finally, Form 1065's, which result in K-1's for the members, are not due until April 15. The end result is that the earliest most individuals can even submit their tax information to their tax preparer is sometime in March or April, after the POFD deadline.

Changing the POFD deadline to May 15th would insure that accurate information is submitted to APOC and would reduce or eliminate the need to file amended POFD statements for any information that comes in after the current March 15th deadline.

Completing the the POFD by the current deadline is extremely difficult, or impossible, even for a CPA like me with over 25 years of experience, as we are often waiting for third parties to send us tax information. I sincerely hope that your fellow colleagues support SB 4. Please do not hesitate to contact me if you have any further questions.

Regards,



Jon Cook

APOC Civil Penalty Assessment 2013

Category	Commission Assessed	Amount Received	Amount Unpaid	Amount Referred to Attorney General
Lobbyist	\$1,190.00	\$ 880.00	\$ 310.00	\$ -
Candidate Disclosure	\$11,011.50	\$ 5,131.50	\$ -	\$ 5,880.00
Group Disclosure	\$10,777.05	\$ 8,862.05	\$ 1,915.00	\$ -
POFD/LFD	\$18,514.00	\$ 14,576.00	\$ 827.00	\$ 3,111.00
Complaints	\$25,580.19	\$ 14,082.00	\$ 11,498.19	\$ -
Copy Income		\$ -	\$ -	\$ -
Other		\$ -	\$ -	\$ -
TOTALS	\$67,072.74	\$ 43,531.55	\$ 14,550.19	\$ 8,991.00

Source: APOC records

29th Legislature(2015-2016)

Alaska Statutes 2014

AS 39.50.060

SEARCH

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Sec. 39.50.060. Penalty for wilful violation of disclosure requirements.

(a) A person required to file a report of financial or business interests under this chapter who refuses or knowingly fails to disclose required information within the time required in this chapter, or who provides false or misleading information, knowing it to be false or misleading, is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than \$100 nor more than \$1,000, or by imprisonment for a period of not more than six months, or by both.

(b) Any person failing or refusing to comply with the requirements of this chapter, in addition to the penalties prescribed, shall forfeit nomination to office and may not be seated or installed in office if the person has not complied. Nominated, hired, or appointed officials, commissioners, chairs, or members of commissions or boards specified in AS 39.50.200(b) may not be confirmed by the legislature if compliance has not been made. In the case of elected officials, the lieutenant governor, or other certifying authority, may not certify a person's nomination for office or the person's election to office if compliance was not made within the time required. The nomination to office or election to office shall be certified to the highest vote getter for that nomination for that office or election to that office who has complied within the times required and who shall be declared nominated or elected. For purposes of this subsection, a person is considered to have complied within the time required if the person complies within 30 days after the due date established by this chapter.

Figure 10
Comparison of APOC Report Auditing 2012 and 2013

Type of Report	2012			2013		
	Total number	Audited	% audited	Total number	Audited	% audited
POFD						
Legislative	88	88	100%	85	85	100%
Judicial	135	79	59%	148	146	99%
Executive Branch	267	136	51%	271	269	99%
Board/Commission	337	164	49%	338	303	90%
Local Municipal Gov't	779	28	4%	776	746	96%
	1700	585	29%	1618	1549	96%
Campaign Disclosure³						
Candidates				224	224	100%
Groups				477	321	67%
	643	223	35%	701	545	78%
Lobbying Disclosure⁴						
	2433	501	21%	2478	1444	58%
TOTAL	4776	1309	27%	4797	3538	74%

Source: APOC Records



City of Galena
PO Box 149 - Galena, Alaska 99741-0149
(907) 656-1301 -- (907) 656-1769 Fax

February 17, 2015

Senator Cathy Giessel
State Capitol Room 427
Juneau, AK 99801

RE: SENATE BILL 4

Dear Senator Giessel:

I write on behalf of the City of Galena to express support for Senate Bill 4, which moves the deadline for certain financial disclosures to May 15, after the April 15 deadline for filing personal federal income tax returns.

In 1984, Galena voters chose to exempt municipal officials from financial disclosures otherwise required by Alaska Statute 39.50. Chapter 39.50 recognizes that financial disclosures are important for transparent democracy. The Chapter's opt-out provision balances transparency with an understanding that onerous requirements secondary to official duties may dissuade broad engagement in public service, limiting the number of persons would seek office.

I am honored to serve as the mayor of Galena. At the same time, elected office in Galena is not a full-time job. The demands of unpaid public office, while ultimately satisfying, can be taxing. I encourage Galena residents toward greater civic participation and believe this is the purpose of the opt-out provision of Chapter 39.50, and is also the purpose of SB 4.

The disclosures mandated by AS 24.60.200 promote transparency in state government. The amendment posed by SB 4 lessens the burden on public servants while preserving policy objectives: By moving the deadline from March to May, federal tax information already prepared by the official can be provided to APOC. Public officials are freed to dedicate more of their time to governing and less to duplicative personal record keeping.

Alaska has a rich history of civic participation and continues to include persons of diverse experience, drawing on those without a background in government; Alaska is stronger for it. A relatively simple amendment encourages this tradition by making public service easier while maintaining transparency and integrity

Sincerely,

Jon Korta
Mayor

cc: City Council

CITY OF SEWARD
P.O. BOX 167
SEWARD, ALASKA 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

February 16, 2015

Senator Cathy Giessel
State Capitol Room 427
Juneau, AK 99801

RE: SUBSTITUTION SENATE BILL 4

Dear Senator Giessel:

In October of 2012, the voters of the City of Seward opted out of the public financial disclosure statements as required by the Alaska Public Offices Commission (APOC). In doing so, the City of Seward established a similar, but more accepted financial disclosure statement form in place of the APOC form, one that closely mirrored APOC's 2007 version.

One of the changes adopted with the City of Seward Financial Disclosure Statement Form included extending the deadline to submit annual statements from March 15 of each year to April 15 of each year. The intent behind this modification was to coincide with IRS guidelines for filing tax returns.

The city has gone through two years' worth of financial disclosure reporting with the new form, and the deadline extension has proven to be helpful for those required to complete the statements. We are happy to say this alteration has worked well and has allowed for easier reporting of our elected and appointed officials.

I hope you have a successful session and wish you success on SSB4.

Regards,

A handwritten signature in cursive script that reads "Jean M. Bardarson".

Jean Bardarson, Mayor