

LEG. FINANCE - BILLS 1985 - 1986 2378

HB 218 - HB 219 2378

COMMITTEE REPORT
HOUSE

(11)

4/22/85

FURTHER:

Date:

5-3-85

The Committee on FINANCE has had HB 218

"An Act relating to standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics; and providing for an effective date."

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HB 218 (Jud) same title
 new title

and recommends NO PASS

AND attaches a "Letter of Intent" New Fiscal Note
 Zero Fiscal Note Attached

reports it back without recommendation 5-2-84

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
Ronald J. Janson
Fat Fanchot
[Signature]
[Signature]
[Signature]
[Signature]

[Signature]

CHAIRMAN

Offered: 4/22/85
Referred: Finance

Original sponsors: Pourchot, Hurley,
M.M. Miller, et al

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 218 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to standards of conduct of legisla-
7 tors and legislative employees and to the Select
8 Committee on Legislative Ethics; and providing for an
9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 11.56.805(b) is amended to read:

12 (b) False accusation is a class A misdemeanor [CLASS C FELONY].

13 * Sec. 2. AS 24.60.020(a) is amended to read:

14 (a) This chapter applies to a member of the legislature, to a
15 person employed by a member of the legislature, and to a permanent or
16 temporary employee of an agency of the legislature. This chapter does
17 not apply to

18 (1) a former member of the legislature or to a person
19 formerly employed by a member of the legislature or an agency of the
20 legislature unless the provision specifically states that it so ap-
21 plies;

22 (2) a person elected to the legislature who at the time of
23 election is not a member of the legislature;

24 (3) a person employed by a member of the legislature or an
25 employee of an agency of the legislature whose compensation is below
26 Step A, Range 18 of the state salary schedule established in AS 39.-
27 27.011(a).

28 * Sec. 3. AS 24.60.050(d) is amended to read:

29 (1) Each February 1, each state loan agency must deliver a

1 listing of all outstanding loans to persons to whom this chapter
2 applies, except for loans described in (a) of this section, to the
3 presiding officer of each house. The list must include the name of
4 the person, the date of issuance and current status of the loan. The
5 list shall be published in the supplemental journal before February 5
6 of each year.

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8 Sec. 24.60.070. INTERESTS BETWEEN PUBLIC OFFICIALS. A person to
9 whom this chapter applies shall disclose in the journal of the appro-
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11 which shall maintain a public record of the disclosure and forward the
12 disclosure to the respective house for inclusion in the journal by
13 [FOR] the fifth [FIRST] day of the session, the formation or main-
14 tenance of a close economic association involving a substantial finan-
15 cial matter with

16 (1) a supervisor who is not a member of the legislature who
17 has responsibility or authority, either directly or indirectly, over
18 the person's employment, including preparing or reviewing performance
19 evaluations, or granting or approving pay raises or promotions;

20 (2) legislators;

21 (3) a public official in another branch, if the public
22 official is required to file a financial disclosure statement under
23 AS 39.50;

24 (4) a registered lobbyist;

25 (5) a person to whom this chapter applies who is employed
26 by a member of the legislature or an agency of the legislature if the
27 close economic association is with a legislator [WHO IS NOT A MEMBER
28 OF THE IMMEDIATE FAMILY OF THE PERSON].

29 * Sec. 5. AS 24.60.100 is amended to read:

1 Sec. 24.60.100. REPRESENTATION. A person to whom this chapter
2 applies who represents another person for compensation before an
3 agency, board, or commission of the state shall disclose the name of
4 the person represented, the subject matter of the representation, and
5 the body before which the representation is to take place in the
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8 of the disclosure and forward the disclosure to the respective house
9 for inclusion in the journal by [FOR] the fifth [FIRST] day of the
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12 Sec. 24.60.110. ACTION ON A CONFLICT OF INTEREST. A legislator
13 who knowingly has a conflict of interest or has been notified of a
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15 (1) resign the conflicting position;

16 (2) divest the interest that has resulted in the conflict
17 or potential conflict; or

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21 and forward the disclosure to the respective house for inclusion in
22 the journal by [FOR] the fifth [FIRST] day of the session but dis-
23 closure does not remove the conflict of interest.

24 * Sec. 7. AS 24.60.130(b) is amended to read:

25 (b) The committee consists of nine [SEVEN] members, in two
26 subcommittees, as follows:

27 (1) the senate subcommittee consists of three members of
28 the senate, appointed by the president of the senate with the concur-
29 rence by roll call vote of two-thirds of the full membership of the

1 senate; and

2 (2) the house subcommittee consists of three members of the
3 house, appointed by the speaker of the house with the concurrence by
4 roll call vote of two-thirds of the full membership of the house; and

5 (3) three public members [ONE PUBLIC MEMBER,] who are [IS]
6 selected by the Chief Justice of the Alaska Supreme Court [TWO-THIRDS
7 OF EACH SUBCOMMITTEE] and who are [IS] ratified by two-thirds of the
8 full membership of the senate and two-thirds of the full membership of
9 the house, shall serve on both the full committee and each subcom-
10 mittee.

11 * Sec. 8. AS 24.60.130(c) is amended to read:

12 (c) No more than two legislative members of each subcommittee
13 may be members of the same political party or the same organizational
14 caucus. At least one public member must be a former member of the
15 legislature.

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22 deletions in the summaries to prevent disclosing the identity of the
23 persons involved in the decisions or opinions that have remained
24 confidential.

25 * Sec. 10. AS 24.60.160 is amended to read:

26 Sec. 24.60.160. ADVISORY OPINIONS. The committee shall issue an
27 advisory opinion within 30 days on the request of a person to whom the
28 chapter applies or a person elected to the legislature who at the time
29 of election is not a member of the legislature as to whether the facts

1 and circumstances of a particular case constitute a violation of
2 ethical standards. The 30-day period for issuing an opinion may be
3 extended by the committee for not more than an additional 10 days if
4 the person requesting the opinion consents. The opinion issued is
5 binding on the committee in any subsequent proceedings concerning the
6 facts and circumstances of the particular case unless material facts
7 were omitted or misstated in the request for the advisory opinion.
8 Except as provided in this chapter an advisory opinion is confidential
9 but may be made public if a written request by the person who re-
10 quested the opinion is filed with the committee.

11 * Sec. 11. AS 24.60.190 is amended to read:

12 Sec. 24.60.190. DEFINITIONS. [DEFINITION OF "COMMITTEE."] In
13 this chapter [,]

14 (1) "committee" means the Select Committee on Legislative
15 Ethics or where appropriate, the applicable subcommittee;

16 (2) "person employed by a member of the legislature" means
17 a person who is employed by an individual legislator or by a legisla-
18 tive body other than an agency of the legislature established under
19 AS 24.20 whose duties include assistance to a legislator or a legisla-
20 tive body in the performance of legislative functions.

21 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/22/85

Date: 5-3-85

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"An Act relating to standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 218 (IUD) same title
and recommends DO PASS new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
5-2-84
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Albert P. Adams

John ...

Michael ...

Sam ...

Ronald J. Farrow

Pat ...

Jul ...

Theresa ...

Norm ...

Sam Costa

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Albert P. Adams
CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
 Bill/Resolution No.: HB 218
 Title: Standards of conduct/
 legis & legis. employees...
 Sponsor: Pourchot
 Requestor: House Finance
 Date of Request: 5/2/85

FISCAL DETAIL
 Agency Affected: Legislature
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-				

CAPITAL		-0-				
----------------	--	-----	--	--	--	--

REVENUE		-0-				
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FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER		-0-				
TOTAL		-0-				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Al Adams, Chair *ADA*
 Division: House Finance Committee

Phone: 465-3706
 Date: 5/2/85

Approved by Commissioner: _____
 Agency: _____

Date: _____

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

SECTIONAL ANALYSIS
LEGISLATIVE ETHICS LEGISLATION
BY
REPRESENTATIVE PAT POURCHOT

The attached legislation makes several changes to statutes dealing with legislative ethics and the Select Committee on Legislative Ethics.

FALSE REPORTING
Section 1

This provision reduces the penalty for false reporting of a possible ethics violation from a felony to a misdemeanor. The current penalty has been criticized as extreme and acting as a deterrent to the filing of legitimate complaints of possible violations. It is also ironic that while there exists a felony penalty for "false" accusation, there is no statutory penalty for legislators violating the ethics law.

EXPANSION OF THE ETHICS LAW TO ALL LEGISLATIVE EMPLOYEES
Sections 2 and 11

This change clarifies that staff employees of individual legislators and committees, range 18 and above, must comply with the provisions of the Ethics Act. Presently, it has been interpreted that the only legislative employees covered by the Ethics Act are those employed by a legislative agency--for example, House Research or the Division of Legal Services. There is no clear rationale for this discrepancy in the current law.

REPORTING DEADLINES
Sections 3, 4, 5 and 6

The deadlines for reporting "close economic associations," "representations before state agencies" and "conflicts of interest" are changed from the first to the fifth day of the legislative session. These technical changes will hopefully avoid the confusion that faced those covered by the Act, particularly new legislators and staff, at the beginning of this session as they hurried to comply with the provisions of the Ethics Act. Several notices were published in the Journal beyond the first day of this year's session.

Section 3 stipulates that the list of specified loans to persons covered by the Act be reported in the legislative journals by February 5.

Although agencies are to provide the lists by February 1, there is currently no deadline for printing loan information in the journals.

DELETION OF FAMILY EXEMPTION FOR LOBBYIST DISCLOSURE
Section 4

The current Act requires the filing of a notice in the Journal if a person covered by the Act has a "close economic association" with a registered lobbyist unless the lobbyist is a member of the person's immediate family. This section removes this exemption for family members. Similar notice requirements of "close economic association" with supervisors, legislators, and public officials currently do not contain this family member exemption. There is no clear rationale for this discrepancy in the current Act.

EXPANSION OF PUBLIC MEMBERSHIP ON THE SELECT COMMITTEE ON LEGISLATIVE ETHICS
Sections 7 and 8

Public membership on the committee is expanded from one to three people. The three would be selected by the Chief Justice of the Alaska Supreme Court and would be confirmed by a two-thirds vote of each house of the Legislature. Presently, there is one public member on the committee, chosen by two-thirds vote of the House subcommittee and two thirds vote of the Senate subcommittee and ratified by two thirds of the full membership of both houses.

The provisions in this legislation accommodate public sentiment to expand public membership on the Ethics Committee and remove the possibility of charges of "legislative bias" by providing that public members are initially selected by the head of the judicial branch of government.

CLEAN-UP PROVISIONS
Sections 9 and 10

Section 9 drops the requirement for the Committee's semi-annual reports to print "informal advisory opinions." The Ethics Committee as a matter of policy does not issue informal advisory opinions. Thus, the current printing requirement is unnecessary.

Section 10 would allow a person elected to the Legislature, but not yet sworn in, to request an advisory opinion from the Ethics Committee. Newly elected legislators are most often the individuals in need of conflict advice. This change will help newly elected legislators understand and comply with reporting deadlines.

1
CHIEF JUSTICE
JAY A. RABINOWITZ

JUSTICES
EDMOND W. BURKE
WARREN W. MATTHEWS, JR.
ALLEN T. COMPTON
DANIEL A. MOORE



ROOM 418, 604 BARNETTE ST
FAIRBANKS, ALASKA 99701
(907) 452-9300

Supreme Court
State of Alaska

April 8, 1985

Honorable Pat Pourchot
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

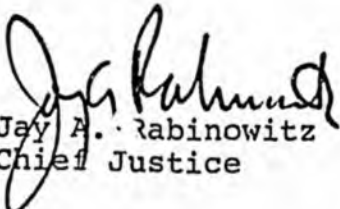
Dear Representative Pourchot:

I am writing with regard to HB 218, an act relating to the standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics.

Section 7 of the proposed legislation provides that three public members shall serve on the committee, including three public members who are selected by the chief Justice of the Alaska Supreme Court. I have no objection to undertaking this task, although I do not seek it. The role of Chief Justice in the selection process would not impair the ability to participate in any appeals deliberations which might be generated by the work of the committee.

Thank you for the opportunity to comment upon this proposed measure.

Sincerely,


Jay A. Rabinowitz
Chief Justice

APR 10 1985

JAR/th

cc: Arthur H. Snowden, II
Administrative Director

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB No. 218
 Title: Standards of conduct...Select
 Committee on Legislative Ethics, eff. date _____
 Sponsor: Representative Pat Pourchot
 Requestor: Representative Katie Hurley
 Date of Request: 2/22/85

FISCAL DETAIL

Agency Affected: Legislative Affairs
 Program Category Affected: General Government
 BRU, Program or Subprogram(s) Affected: _____
 Council & Subcommittees _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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OPERATING						
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800 MISCELLANEOUS						
TOTAL OPERATING		4.7				

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		4.7				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

The Select Committee on Legislative Ethics currently consists of three (3) Senate members, three (3) House members, and one public member. House Bill No. 218 amends the committee composition to three (3) Senate members, three (3) House members, and three (3) public members. The additional members will require travel funds to carry out the committee's business.

Prepared By: Pamela A. Calhoon, Manager

Division: Administrative Services

Phone: 465-3850

Date: 2-22-85

Approved by: Warren W. Endicott
 Executive Director, Warren W. Endicott

Agency: Legislative Affairs Agency

Date: 2-22-85

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Offered: 4/22/85
Referred: Finance

Original sponsors: Pourchot, Hurley,
M.M.Miller, et al

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21 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

Introduced: 2/20/85
Referred: State Affairs and
Judiciary

BY POURCHOT, HURLEY, M.M. MILLER,
CLOCKSIN, DAVIS, NAVARRE, GRUENBERG,
PETTYJOHN, PEARCE AND KOPONEN

1 IN THE HOUSE

2 HOUSE BILL NO. 218

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

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26 * Sec. 5. AS 24.60.100 is amended to read:

27 Sec. 24.60.100. REPRESENTATION. A person to whom this chapter
28 applies who represents another person for compensation before an
29 agency, board, or commission of the state shall disclose the name of

1 the person represented, the subject matter of the representation, and
2 the body before which the representation is to take place in the
3 journal of the appropriate body or if the legislature is not in ses-
4 sion to the committee. The committee shall maintain a public record
5 of the disclosure and forward the disclosure to the respective house
6 for inclusion in the journal by [FOR] the fifth [FIRST] day of the
7 session.

8 * Sec. 6. AS 24.60.110 is amended to read:

9 Sec. 24.60.110. ACTION ON A CONFLICT OF INTEREST. A legislator
10 who knowingly has a conflict of interest or has been notified of a
11 conflict of interest shall immediately

12 (1) resign the conflicting position;

13 (2) divest the interest that has resulted in the conflict
14 or potential conflict; or

15 (3) disclose the conflict of interest in the journal of the
16 appropriate body or if the legislature is not in session to the com-
17 mittee; the committee shall maintain a public record of the disclosure
18 and forward the disclosure to the respective house for inclusion in
19 the journal by [FOR] the fifth [FIRST] day of the session but dis-
20 closure does not remove the conflict of interest.

21 * Sec. 7. AS 24.60.130(b) is amended to read:

22 (b) The committee consists of nine [SEVEN] members, in two
23 subcommittees, as follows:

24 (1) the senate subcommittee consists of three members of
25 the senate, appointed by the president of the senate with the concur-
26 rence by roll call vote of two-thirds of the full membership of the
27 senate; and

28 (2) the house subcommittee consists of three members of the
29 house, appointed by the speaker of the house with the concurrence by

1 roll call vote of two-thirds of the full membership of the house; and
2 (3) three public members [ONE PUBLIC MEMBER,] who are [IS]
3 selected by the Chief Justice of the Alaska Supreme Court [TWO-THIRDS
4 OF EACH SUBCOMMITTEE] and who are [IS] ratified by two-thirds of the
5 full membership of the senate and two-thirds of the full membership of
6 the house, shall serve on both the full committee and each subcom-
7 mittee.

8 * Sec. 8. AS 24.60.130(c) is amended to read:

9 (c) No more than two legislative members of each subcommittee
10 may be members of the same political party or the same organizational
11 caucus. No more than one of the public members may be a member of the
12 Alaska Bar Association.

13 * Sec. 9. AS 24.60.150(a) is amended to read:

14 (a) The committee shall
15 (1) adopt procedures to facilitate the receipt of inquiries
16 and prompt rendition of its opinions;
17 (2) publish semi-annual summaries of decisions and [,] ad-
18 visory opinions [AND INFORMAL ADVISORY OPINIONS,] with sufficient
19 deletions in the summaries to prevent disclosing the identity of the
20 persons involved in the decisions or opinions that have remained
21 confidential.

22 * Sec. 10. AS 24.60.160 is amended to read:

23 Sec. 24.60.160. ADVISORY OPINIONS. The committee shall issue an
24 advisory opinion within 30 days on the request of a person to whom the
25 chapter applies or a person elected to the legislature who at the time
26 of election is not a member of the legislature as to whether the facts
27 and circumstances of a particular case constitute a violation of
28 ethical standards. The 30-day period for issuing an opinion may be
29 extended by the committee for not more than an additional 10 days if

1 the person requesting the opinion consents. The opinion issued is
2 binding on the committee in any subsequent proceedings concerning the
3 facts and circumstances of the particular case unless material facts
4 were omitted or misstated in the request for the advisory opinion.
5 Except as provided in this chapter an advisory opinion is confidential
6 but may be made public if a written request by the person who re-
7 quested the opinion is filed with the committee.

8 * Sec. 11. AS 24.60.190 is amended to read:

9 Sec. 24.60.190. DEFINITIONS. [DEFINITION OF "COMMITTEE."] In
10 this chapter [,]

11 (1) "committee" means the Select Committee on Legislative
12 Ethics or where appropriate, the applicable subcommittee;

13 (2) "person employed by a member of the legislature" means
14 a person who is employed by an individual legislator or by a legisla-
15 tive body other than an agency of the legislature established under
16 AS 24.20 whose duties include assistance to a legislator or a legisla-
17 tive body in the performance of legislative functions.

18 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER:

5/2/86

Date

5/7/86

Mr. President

The Committee on FINANCE considered CSHB 218(JUD)

standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass

do pass with attached amendment(s)

replace with/or adopt 3 CS for CSHB 218 (Jud)

new title

same title and recommends Do Pass

and attached a "LETTER OF INTENT"

NEW FISCAL NOTE

4.7 Leg. Att.

reports it back without recommendation

recommends referral to _____

Committee

MEMBERS SIGNING

DO PASS

MEMBERS HAVING

OTHER RECOMMENDATIONS

J. Hatch
Rick Halford
Carl Frick
W. Gleason
J. Ferguson

Co-Chairman

Carl Frick

do pass

Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SCS CSHB 218 (Jud)
 Title : Standards of conduct/select committee on Legislative Ethics

Sponsor : Pourchot
 Requestor : Senate Finance
 Date of Request : May 10, 1986

FISCAL DETAIL

Agency Affected : Legislative Affairs
 BRU : Council & subcommittees

Components : General Government

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL	0	4.7	0	0	0	0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	4.7	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND	0	4.7	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	4.7	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : _____
 Division : Senator Jan Faiks, Co-chairman

Phone : 465-4523
 Date : May 10, 1986

Approved by Commissioner : _____
 Agency : _____

Date : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Offered: 5/2/86
Referred: Finance

Original sponsors: Pourchot, Hurley,
M.M.Miller, et al

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 218 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to standards of conduct of legisla-
7 tors and legislative employees and to the Select
8 Committee on Legislative Ethics; and providing for an
9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 11.56.805(b) is amended to read:

12 (b) False accusation is a class A misdemeanor [CLASS C FELONY].

13 * Sec. 2. AS 24.60.020(a) is amended to read:

14 (a) Except as otherwise provided in this subsection, this [THIS]
15 chapter applies to a member of the legislature and to a person employ-
16 ed by the legislative branch of government [AND TO A PERMANENT OR
17 TEMPORARY EMPLOYEE OF AN AGENCY OF THE LEGISLATURE]. This chapter
18 does not apply to

19 (1) a former member of the legislature or to a person
20 formerly employed by the legislative branch of government [A MEMBER OF
21 THE LEGISLATURE OR AN AGENCY OF THE LEGISLATURE] unless the provision
22 specifically states that it so applies;

23 (2) a person elected to the legislature who at the time of
24 election is not a member of the legislature;

25 (3) a person employed by the legislative branch of govern-
26 ment [LEGISLATURE OR AN EMPLOYEE OF AN AGENCY OF THE LEGISLATURE]
27 whose compensation is below Step A, Range 18 of the state salary
28 schedule established in AS 39.27.011(a);

29 (4) a person employed privately by a legislator if the

1 person does not perform legislative duties.

2 * Sec. 3. AS 24.60.020(b) is amended to read:

3 (b) The provisions of this chapter specifically supersede the
4 provisions of the common law relating to legislative conflict of
5 interest that may apply to a member of the legislature or [,] a person
6 employed by the legislative branch of government [A MEMBER OF THE
7 LEGISLATURE, OR TO A PERMANENT OR TEMPORARY EMPLOYEE OF AN AGENCY OF
8 THE LEGISLATURE]. They do not supersede or repeal provisions of the
9 criminal laws of the state.

10 * Sec. 4. AS 24.60.040(a) is amended to read:

11 (a) A person to whom this chapter applies may not be a party to
12 or have an interest in a state contract or lease unless the contract
13 or lease is let by competitive sealed bid [UNDER AS 37.05.230] or the
14 total annual amount of the state contract or lease is \$1,000 or less,
15 or is a standardized contract or lease which was developed under
16 publicly established guidelines and is generally available to the
17 public at large, members of a profession, occupation or group. A
18 person has an interest in a state contract or lease under this section
19 if the person receives direct or indirect financial benefits.

20 * Sec. 5. AS 24.60.050(d) is amended to read:

21 (d) Each February 1, each state loan agency must deliver a
22 listing of all outstanding loans to persons to whom this chapter
23 applies, except for loans described in (a) of this section, to the
24 presiding officer of each house. The list must include the name of
25 the person, the date of issuance and current status of the loan. The
26 list shall be published in the supplemental journal before February 5
27 of each year.

28 * Sec. 6. AS 24.60.070 is amended to read:

29 Sec. 24.60.070. INTERESTS BETWEEN PUBLIC OFFICIALS. A person to

1 whom this chapter applies shall disclose in the journal of the appro-
2 priate body or if the legislature is not in session to the committee,
3 which shall maintain a public record of the disclosure and forward the
4 disclosure to the respective house for inclusion in the journal by
5 [FOR] the fifth [FIRST] day of the session, the formation or main-
6 tenance of a close economic association involving a substantial finan-
7 cial matter with

8 (1) a supervisor who is not a member of the legislature who
9 has responsibility or authority, either directly or indirectly, over
10 the person's employment, including preparing or reviewing performance
11 evaluations, or granting or approving pay raises or promotions;

12 (2) legislators;

13 (3) a public official who [IN ANOTHER BRANCH, IF THE PUBLIC
14 OFFICIAL] is required to file a financial disclosure statement under
15 AS 39.50 and is not an appointed municipal officer;

16 (4) a registered lobbyist;

17 (5) a person to whom this chapter applies who is employed
18 by the legislative branch of government if the close economic asso-
19 ciation is with a legislator [WHO IS NOT A MEMBER OF THE IMMEDIATE
20 FAMILY OF THE PERSON].

21 * Sec. 7. AS 24.60.100 is amended to read:

22 Sec. 24.60.100. REPRESENTATION. A person to whom this chapter
23 applies who represents another person for compensation before an
24 agency, board, or commission of the state shall disclose the name of
25 the person represented, the subject matter of the representation, and
26 the body before which the representation is to take place in the
27 journal of the appropriate body or if the legislature is not in ses-
28 sion to the committee. The committee shall maintain a public record
29 of the disclosure and forward the disclosure to the respective house

1 for inclusion in the journal by [FOR] the fifth [FIRST] day of the
2 session.

3 * Sec. 8. AS 24.60.110 is amended to read:

4 Sec. 24.60.110. ACTION ON A CONFLICT OF INTEREST. A legislator
5 who knowingly has a conflict of interest or has been notified of a
6 conflict of interest shall immediately

7 (1) resign the conflicting position;

8 (2) divest the interest that has resulted in the conflict
9 or potential conflict; or

10 (3) disclose the conflict of interest in the journal of the
11 appropriate body or if the legislature is not in session to the com-
12 mittee; the committee shall maintain a public record of the disclosure
13 and forward the disclosure to the respective house for inclusion in
14 the journal by [FOR] the fifth [FIRST] day of the session but dis-
15 closure does not remove the conflict of interest.

16 * Sec. 9. AS 24.60.130(b) is amended to read:

17 (b) The committee consists of nine [SEVEN] members, in two
18 subcommittees, as follows:

19 (1) the senate subcommittee consists of three members of
20 the senate, appointed by the president of the senate with the concur-
21 rence by roll call vote of two-thirds of the full membership of the
22 senate; and

23 (2) the house subcommittee consists of three members of the
24 house, appointed by the speaker of the house with the concurrence by
25 roll call vote of two-thirds of the full membership of the house; and

26 (3) three public members [ONE PUBLIC MEMBER,] who are [IS]
27 selected by the Chief Justice of the Alaska Supreme Court [TWO-THIRDS
28 OF EACH SUBCOMMITTEE] and who are [IS] ratified by two-thirds of the
29 full membership of the senate and two-thirds of the full membership of

1 the house, shall serve on both the full committee and each subcom-
2 mittee.

3 * Sec. 10. AS 24.60.130(h) is amended to read:

4 (h) A member is disqualified from participating as a member in
5 any proceeding before the committee involving a complaint against the
6 member or an advisory opinion requested by the member. If the legis-
7 lature is in session when [WHEN] a legislative member is disqualified
8 under this subsection, the presiding officer of that member's house
9 shall, with the concurrence by roll call vote of two-thirds of the
10 full membership of that house, appoint another member from that house
11 to act as a member of the committee in the proceeding. If the legis-
12 lature is not in session when a legislative member is disqualified,
13 the presiding officer of the house of which the disqualified legisla-
14 tor is a member shall appoint another member from that house, with a
15 recorded concurrence of a majority vote of the subcommittee of that
16 house, to act as a member of the committee in the proceeding.

17 * Sec. 11. AS 24.60.150(a) is amended to read:

18 (a) The committee shall

19 (1) adopt procedures to facilitate the receipt of inquiries
20 and prompt rendition of its opinions;

21 (2) publish semi-annual summaries of decisions and [,] ad-
22 visory opinions [AND INFORMAL ADVISORY OPINIONS,] with sufficient
23 deletions in the summaries to prevent disclosing the identity of the
24 persons involved in the decisions or opinions that have remained
25 confidential.

26 * Sec. 12. AS 24.60.160 is amended to read:

27 Sec. 24.60.160. ADVISORY OPINIONS. The committee shall issue an
28 advisory opinion within 30 days on the request of a person to whom the
29 chapter applies or a person elected to the legislature who at the time

1 of a person is not a member of the legislature as to whether the facts
2 the circumstances of a particular case constitute a violation of
3 ethical standards. The 30-day period for issuing an opinion may be
4 extended by the committee for not more than an additional 10 days if
5 the person requesting the opinion consents. The opinion issued is
6 binding on the committee in any subsequent proceedings concerning the
7 facts and circumstances of the particular case unless material facts
8 were omitted or misstated in the request for the advisory opinion.
9 Except as provided in this chapter an advisory opinion is confidential
10 but may be made public if a written request by the person who re-
11 quested the opinion is filed with the committee.

12 * Sec. 13. AS 24.60.170(1) is amended to read:

13 (1) If the majority of the members of the committee agree to a
14 decision that a former member of the legislature or an employee or a
15 former employee of the legislative branch of government [A LEGISLATOR
16 OR OF AN AGENCY OF THE LEGISLATURE] has violated a provision of this
17 chapter, the committee shall issue a public statement of its decision
18 30 days after the date of the decision. The legislature shall act on
19 the decision as it considers appropriate. In the case of an employee
20 the action may include suspension, demotion, or dismissal. The em-
21 ployee is entitled to a hearing before final action is taken.

22 * Sec. 14. AS 24.60.190 is amended to read:

23 Sec. 24.60.190. DEFINITIONS. [DEFINITION OF "COMMITTEE."] In
24 this chapter [,]

25 (1) "committee" means the Select Committee on Legislative
26 Ethics or where appropriate, the applicable subcommittee;

27 (2) "person employed by the legislative branch of govern-
28 ment" means a person who is employed by

29 (A) an individual legislator;

1 (B) a legislative body, including a legislative com-
2 mittee; or

3 (C) an agency of the legislature established under
4 AS 24.20 and AS 24.55.

5 * Sec. 15. This Act takes effect immediately in accordance with AS 01.-
6 10.070(c).

SECTIONAL ANALYSIS FOR SCS HB 218 (Judiciary)

An Act relating to standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics and providing for an effective date

Section 1

Reduces penalty for making a false accusation to the Ethics Committee from a Class C felony to a Class A misdemeanor.

Section 2

Adds employees of legislators to the group of persons covered by the Ethics Law. After the original law went into effect, a legal opinion was issued stating that the only legislative employees covered by the ethics law were employees of the agency. That was never the intent of the original bill.

Section 3

Adds a day certain (February 5) for when the list of outstanding loans to state agencies of legislators and staff must be published in the Journal.

Section 4

Under current law, a legislator must disclose any close economic associations with other legislators, public officials or staff by the first day of the session in the Journal. This section amends that to the fifth day of the session. Also adds language again clarifying employees of a legislator versus employees of the agency.

Section 5

Same as Section 4 except that it applies to disclosure of representation for compensation.

Section 6

Same as Sections 4 and 5 except that it applies to disclosure of known conflicts of interest.

Section 7

Increases the number of members of the Select Committee on Legislative Ethics to 9 members from the current 7 by adding 2 additional public members. Appointment of all 3 public members would now be made by the Chief Justice of the Supreme Court.

Section 8

Adds the requirement that at least 1 public member must be a former member of the Legislature.

Section 9

Deletes the requirement that the Committee shall publish a summaries of their informal advisory opinions.

Section 10

Would allow the Committee to provide an advisory opinion to persons elected to the Legislature but not yet sworn in.

Section 11

Clarifies the definition of staff employed by a legislator versus those employed by the Agency. Again, both would be covered.

Section 12

Immediate Effective Date.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB No. 218
Title: Standards of conduct...Select
Committee on Legislative Ethics, eff. date
Sponsor: Representative Pat Pourchot
Requestor: Representative Katie Hurley
Date of Request: 2/22/85

FISCAL DETAIL

Agency Affected: Legislative Affairs
Program Category Affected: General Government
BRU, Program or Subprogram(s) Affected:
Council & Subcommittees

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		4.7				
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		4.7				

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		4.7				
FEDERAL FUNDS						
OTHER						
TOTAL		4.7				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

The Select Committee on Legislative Ethics currently consists of three (3) Senate members, three (3) House members, and one public member. House Bill No. 218 amends the committee composition to three (3) Senate members, three (3) House members, and three (3) public members. The additional members will require travel funds to carry out the committee's business.

Prepared By: Pamela A. Calhoon, Manager Phone: 465-3850
 Division: Administrative Services Date: 2-22-85
 Approved by: Warren W. Endicott Date: 2-22-85
 Agency: Legislative Affairs Agency

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Alaska State Legislature

REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE
COMMITTEE ON OIL AND GAS



ANCHORAGE
PO BOX 104836
ANCHORAGE, AK 99510
(907) 338-2425

JUNEAU
POUCH V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

House of Representatives

MEMORANDUM

DATE: May 5, 1986

TO: Senate Finance Committee
Senator Jan Faiks, Co-Chairman
Senator John Sackett, Co-Chairman
Senator Jalmar Kerttula (Vice-Chairman)
Senator Dick Eliason
Senator Paul Fischer
Senator Rick Halford
Senator Frank Ferguson

FROM: Representative Pat Pourchot

SUBJECT: House Bill 218, Legislative Ethics

As you know, the House passed unanimously House Bill 218, relating to Legislative Ethics. This bill builds upon the foundation of the Legislative Ethics Act passed in 1984. In light of a couple years experience with the present Ethics Code, I introduced HB 218 to deal with some of the inconsistencies, weaknesses and criticisms of the original legislation.

The major change proposed by this bill would be the increased public representation on the Ethics Committee. Public membership is increased from one to three people. In addition, the three would be selected by the Chief Justice of the Alaska Supreme Court, not by the Legislature.

The penalty provision for "false reporting" of a possible ethics violation would be reduced from a felony to a misdemeanor. The current penalty has been criticized as extreme and acting as a deterrent to the filing of legitimate complaints of possible violations.

HB 218 includes clarification that all employees of the legislature, range 18 and above must comply with the provisions of the Ethics Act. It also clarifies what types of state contracts legislators and other covered persons could enter into without a conflict of interest.

Page two
HB 218 - Legislative Ethics

Language regarding economic associations and filing financial disclosures is more explicit and tightened. Temporary replacement of members of the Ethics Committee is provided for in the proposal. A number of sections make reporting deadlines more realistic as does the section allowing legislators-elect to request advisory opinions from the Ethics Committee.

I believe this bill addresses many of the weaknesses and criticisms of our current law and feel passage can improve confidence of the public in the Legislature.

1
CHIEF JUSTICE
JAY A. RABINOWITZ

JUSTICES
EDMOND W. BURKE
WARREN W. MATTHEWS, JR.
ALLEN T. COMPTON
DANIEL A. MOORE



ROOM 418, 604 WARNETTE ST
FAIRBANKS, ALASKA 99701
(907) 452-9300

Supreme Court
State of Alaska

April 8, 1985

Honorable Pat Pourchot
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

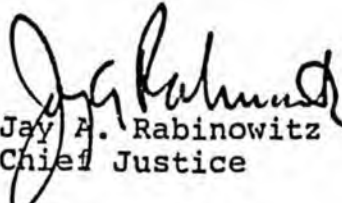
Dear Representative Pourchot:

I am writing with regard to HB 218, an act relating to the standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics.

Section 7 of the proposed legislation provides that three public members shall serve on the committee, including three public members who are selected by the chief Justice of the Alaska Supreme Court. I have no objection to undertaking this task, although I do not seek it. The role of Chief Justice in the selection process would not impair the ability to participate in any appeals deliberations which might be generated by the work of the committee.

Thank you for the opportunity to comment upon this proposed measure.

Sincerely,


Jay A. Rabinowitz
Chief Justice

APR 10 1985

JAR/th

cc: Arthur H. Snowden, II
Administrative Director

SECTIONAL ANALYSIS
LEGISLATIVE ETHICS LEGISLATION
BY
REPRESENTATIVE PAT POURCHOT

The attached legislation makes several changes to statutes dealing with legislative ethics and the Select Committee on Legislative Ethics.

FALSE REPORTING
Section 1

This provision reduces the penalty for false reporting of a possible ethics violation from a felony to a misdemeanor. The current penalty has been criticized as extreme and acting as a deterrent to the filing of legitimate complaints of possible violations. It is also ironic that while there exists a felony penalty for "false" accusation, there is no statutory penalty for legislators violating the ethics law.

EXPANSION OF THE ETHICS LAW TO ALL LEGISLATIVE EMPLOYEES
Sections 2 and 11

This change clarifies that staff employees of individual legislators and committees, range 18 and above, must comply with the provisions of the Ethics Act. Presently, it has been interpreted that the only legislative employees covered by the Ethics Act are those employed by a legislative agency--for example, House Research or the Division of Legal Services. There is no clear rationale for this discrepancy in the current law.

REPORTING DEADLINES
Sections 3, 4, 5 and 6

The deadlines for reporting "close economic associations," "representations before state agencies" and "conflicts of interest" are changed from the first to the fifth day of the legislative session. These technical changes will hopefully avoid the confusion that faced those covered by the Act, particularly new legislators and staff, at the beginning of this session as they hurried to comply with the provisions of the Ethics Act. Several notices were published in the Journal beyond the first day of this year's session.

Section 3 stipulates that the list of specified loans to persons covered by the Act be reported in the legislative journals by February 5.

Although agencies are to provide the lists by February 1, there is currently no deadline for printing loan information in the journals.

DELETION OF FAMILY EXEMPTION FOR LOBBYIST DISCLOSURE
Section 4

The current Act requires the filing of a notice in the Journal if a person covered by the Act has a "close economic association" with a registered lobbyist unless the lobbyist is a member of the person's immediate family. This section removes this exemption for family members. Similar notice requirements of "close economic association" with supervisors, legislators, and public officials currently do not contain this family member exemption. There is no clear rationale for this discrepancy in the current Act.

**EXPANSION OF PUBLIC MEMBERSHIP ON THE SELECT COMMITTEE ON
LEGISLATIVE ETHICS**
Sections 7 and 8

Public membership on the committee is expanded from one to three people. The three would be selected by the Chief Justice of the Alaska Supreme Court and would be confirmed by a two-thirds vote of each house of the Legislature. Presently, there is one public member on the committee, chosen by two-thirds vote of the House subcommittee and two thirds vote of the Senate subcommittee and ratified by two thirds of the full membership of both houses.

The provisions in this legislation accommodate public sentiment to expand public membership on the Ethics Committee and remove the possibility of charges of "legislative bias" by providing that public members are initially selected by the head of the judicial branch of government.

CLEAN-UP PROVISIONS
Sections 9 and 10

Section 9 drops the requirement for the Committee's semi-annual reports to print "informal advisory opinions." The Ethics Committee as a matter of policy does not issue informal advisory opinions. Thus, the current printing requirement is unnecessary.

Section 10 would allow a person elected to the Legislature, but not yet sworn in, to request an advisory opinion from the Ethics Committee. Newly elected legislators are most often the individuals in need of conflict advice. This change will help newly elected legislators understand and comply with reporting deadlines.

Offered: 3/13/86
Referred: Judiciary

Original sponsors: Pourchot, Hurley,
M.M. Miller, et al

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 218 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to standards of conduct of legisla-
7 tors and legislative employees and to the Select
8 Committee on Legislative Ethics; and providing for an
9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 11.56.805(b) is amended to read:

12 (b) False accusation is a class A misdemeanor [CLASS C FELONY].

13 * Sec. 2. AS 24.60.020(a) is amended to read:

14 (a) Except as otherwise provided in this subsection, this [THIS]
15 chapter applies to a member of the legislature and to a person employ-
16 ed by the legislative branch of government [AND TO A PERMANENT OR
17 TEMPORARY EMPLOYEE OF AN AGENCY OF THE LEGISLATURE]. This chapter
18 does not apply to

19 (1) a former member of the legislature or to a person
20 formerly employed by the legislative branch of government [A MEMBER OF
21 THE LEGISLATURE OR AN AGENCY OF THE LEGISLATURE] unless the provision
22 specifically states that it so applies;

23 (2) a person elected to the legislature who at the time of
24 election is not a member of the legislature;

25 (3) a person employed by the legislative branch of govern-
26 ment [LEGISLATURE OR AN EMPLOYEE OF AN AGENCY OF THE LEGISLATURE]
27 whose compensation is below Step A, Range 18 of the state salary
28 schedule established in AS 39.27.011(a);

29 (4) a person employed privately by a legislator if the

1 person does not perform legislative duties.

2 * Sec. 3. AS 24.60.020(b) is amended to read:

3 (b) The provisions of this chapter specifically supersede the
4 provisions of the common law relating to legislative conflict of
5 interest that may apply to a member of the legislature or [,] a person
6 employed by the legislative branch of government [A MEMBER OF THE
7 LEGISLATURE, OR TO A PERMANENT OR TEMPORARY EMPLOYEE OF AN AGENCY OF
8 THE LEGISLATURE]. They do not supersede or repeal provisions of the
9 criminal laws of the state.

10 * Sec. 4. AS 24.60.040(a) is amended to read:

11 (a) A person to whom this chapter applies may not be a party to
12 or have an interest in a state contract or lease unless the contract
13 or lease is let by competitive sealed bid [UNDER AS 37.05.230] or the
14 total annual amount of the state contract or lease is \$1,000 or less,
15 or is a standardized contract or lease which was developed under
16 publicly established guidelines and is generally available to the
17 public at large, members of a profession, occupation or group. A
18 person has an interest in a state contract or lease under this section
19 if the person receives direct or indirect financial benefits.

20 * Sec. 5. AS 24.60.050(d) is amended to read:

21 (d) Each February 1, each state loan agency must deliver a
22 listing of all outstanding loans to persons to whom this chapter
23 applies, except for loans described in (a) of this section, to the
24 presiding officer of each house. The list must include the name of
25 the person, the date of issuance and current status of the loan. The
26 list shall be published in the supplemental journal before February 5
27 of each year.

28 * Sec. 6. AS 24.60.070 is amended to read:

29 Sec. 24.60.070. INTERESTS BETWEEN PUBLIC OFFICIALS. A person to

1 whom this chapter applies shall disclose in the journal of the appro-
2 priate body or if the legislature is not in session to the committee,
3 which shall maintain a public record of the disclosure and forward the
4 disclosure to the respective house for inclusion in the journal by
5 [FOR] the fifth [FIRST] day of the session, the formation or main-
6 tenance of a close economic association involving a substantial finan-
7 cial matter with

8 (1) a supervisor who is not a member of the legislature who
9 has responsibility or authority, either directly or indirectly, over
10 the person's employment, including preparing or reviewing performance
11 evaluations, or granting or approving pay raises or promotions;

12 (2) legislators;

13 (3) a public official who [IN ANOTHER BRANCH, IF THE PUBLIC
14 OFFICIAL]

15 (A) is required to file a financial disclosure
16 statement under AS 39.50; or

17 (B) is an elected municipal official;

18 (4) a registered lobbyist;

19 (5) a person to whom this chapter applies who is employed
20 by the legislative branch of government if the close economic asso-
21 ciation is with a legislator [WHO IS NOT A MEMBER OF THE IMMEDIATE
22 FAMILY OF THE PERSON].

23 * Sec. 7. AS 24.60.100 is amended to read:

24 Sec. 24.60.100. REPRESENTATION. A person to whom this chapter
25 applies who represents another person for compensation before an
26 agency, board, or commission of the state shall disclose the name of
27 the person represented, the subject matter of the representation, and
28 the body before which the representation is to take place in the
29 journal of the appropriate body or if the legislature is not in

1 session to the committee. The committee shall maintain a public
2 record of the disclosure and forward the disclosure to the respective
3 house for inclusion in the journal by [FOR] the fifth [FIRST] day of
4 the session.

5 * Sec. 8. AS 24.60.110 is amended to read:

6 Sec. 24.60.110. ACTION ON A CONFLICT OF INTEREST. A legislator
7 who knowingly has a conflict of interest or has been notified of a
8 conflict of interest shall immediately

9 (1) resign the conflicting position;

10 (2) divest the interest that has resulted in the conflict
11 or potential conflict; or

12 (3) disclose the conflict of interest in the journal of the
13 appropriate body or if the legislature is not in session to the com-
14 mittee; the committee shall maintain a public record of the disclosure
15 and forward the disclosure to the respective house for inclusion in
16 the journal by [FOR] the fifth [FIRST] day of the session but dis-
17 closure does not remove the conflict of interest.

18 * Sec. 9. AS 24.60.130(b) is amended to read:

19 (b) The committee consists of nine [SEVEN] members, in two
20 subcommittees, as follows:

21 (1) the senate subcommittee consists of three members of
22 the senate, appointed by the president of the senate with the concur-
23 rence by roll call vote of two-thirds of the full membership of the
24 senate; and

25 (2) the house subcommittee consists of three members of the
26 house, appointed by the speaker of the house with the concurrence by
27 roll call vote of two-thirds of the full membership of the house; and

28 (3) three public members [ONE PUBLIC MEMBER,] who are [IS]
29 selected by the Chief Justice of the Alaska Supreme Court [TWO-THIRDS

1 OF EACH SUBCOMMITTEE] and who are [IS] ratified by two-thirds of the
2 full membership of the senate and two-thirds of the full membership of
3 the house, shall serve on both the full committee and each subcom-
4 mittee.

5 * Sec. 10. AS 24.60.130(h) is amended to read:

6 (h) A member is disqualified from participating as a member in
7 any proceeding before the committee involving a complaint against the
8 member or an advisory opinion requested by the member. If the legis-
9 lature is in session when [WHEN] a legislative member is disqualified
10 under this subsection, the presiding officer of that member's house
11 shall, with the concurrence by roll call vote of two-thirds of the
12 full membership of that house, appoint another member from that house
13 to act as a member of the committee in the proceeding. If the legis-
14 lature is not in session when a legislative member is disqualified,
15 the presiding officer of the house of which the disqualified legisla-
16 tor is a member shall appoint another member from that house, with a
17 recorded concurrence of a majority vote of the subcommittee of that
18 house, to act as a member of the committee in the proceeding.

19 * Sec. 11. AS 24.60.150(a) is amended to read:

20 (a) The committee shall
21 (1) adopt procedures to facilitate the receipt of inquiries
22 and prompt rendition of its opinions;
23 (2) publish semi-annual summaries of decisions and [,] ad-
24 visory opinions [AND INFORMAL ADVISORY OPINIONS,] with sufficient
25 deletions in the summaries to prevent disclosing the identity of the
26 persons involved in the decisions or opinions that have remained
27 confidential.

28 * Sec. 12. AS 24.60.160 is amended to read:

29 Sec. 24.60.160. ADVISORY OPINIONS. The committee shall issue an

1 advisory opinion within 30 days on the request of a person to whom the
2 chapter applies or a person elected to the legislature who at the time
3 of election is not a member of the legislature as to whether the facts
4 and circumstances of a particular case constitute a violation of
5 ethical standards. The 30-day period for issuing an opinion may be
6 extended by the committee for not more than an additional 10 days if
7 the person requesting the opinion consents. The opinion issued is
8 binding on the committee in any subsequent proceedings concerning the
9 facts and circumstances of the particular case unless material facts
10 were omitted or misstated in the request for the advisory opinion.
11 Except as provided in this chapter an advisory opinion is confidential
12 but may be made public if a written request by the person who re-
13 quested the opinion is filed with the committee.

14 * Sec. 13. AS 24.60.170(1) is amended to read:

15 (1) If the majority of the members of the committee agree to a
16 decision that a former member of the legislature or an employee or a
17 former employee of the legislative branch of government [A LEGISLATOR
18 OR OF AN AGENCY OF THE LEGISLATURE] has violated a provision of this
19 chapter, the committee shall issue a public statement of its decision
20 30 days after the date of the decision. The legislature shall act on
21 the decision as it considers appropriate. In the case of an employee
22 the action may include suspension, demotion, or dismissal. The em-
23 ployee is entitled to a hearing before final action is taken.

24 * Sec. 14. AS 24.60.190 is amended to read:

25 Sec. 24.60.190. DEFINITIONS. [DEFINITION OF "COMMITTEE."] In
26 this chapter [,]

27 (1) "committee" means the Select Committee on Legislative
28 Ethics or where appropriate, the applicable subcommittee;

29 (2) "person employed by the legislative branch of

1 government" means a person who is employed by

2 (A) an individual legislator;

3 (B) a legislative body, including a legislative com-
4 mittee; or

5 (C) an agency of the legislature established under
6 AS 24.20 and AS 24.55.

7 * Sec. 15. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).

Offered: 4/22/85
Referred: Finance

Original sponsors: Pourchot, Hurley,
M.M.Miller, et al

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 218 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to standards of conduct of legisla-
7 tors and legislative employees and to the Select
8 Committee on Legislative Ethics; and providing for an
9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 11.56.805(b) is amended to read:

12 (b) False accusation is a class A misdemeanor [CLASS C FELONY].

13 * Sec. 2. AS 24.60.020(a) is amended to read:

14 (a) This chapter applies to a member of the legislature, to a
15 person employed by a member of the legislature, and to a permanent or
16 temporary employee of an agency of the legislature. This chapter does
17 not apply to

18 (1) a former member of the legislature or to a person
19 formerly employed by a member of the legislature or an agency of the
20 legislature unless the provision specifically states that it so ap-
21 plies;

22 (2) a person elected to the legislature who at the time of
23 election is not a member of the legislature;

24 (3) a person employed by a member of the legislature or an
25 employee of an agency of the legislature whose compensation is below
26 Step A, Range 18 of the state salary schedule established in AS 39.-
27 27.011(a).

28 * Sec. 3. AS 24.60.050(d) is amended to read:

29 (d) Each February 1, each state loan agency must deliver a

1 listing of all outstanding loans to persons to whom this chapter
2 applies, except for loans described in (a) of this section, to the
3 presiding officer of each house. The list must include the name of
4 the person, the date of issuance and current status of the loan. The
5 list shall be published in the supplemental journal before February 5
6 of each year.

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9 whom this chapter applies shall disclose in the journal of the appro-
10 priate body or if the legislature is not in session to the committee,
11 which shall maintain a public record of the disclosure and forward the
12 disclosure to the respective house for inclusion in the journal by
13 [FOR] the fifth [FIRST] day of the session, the formation or main-
14 tenance of a close economic association involving a substantial finan-
15 cial matter with

16 (1) a supervisor who is not a member of the legislature who
17 has responsibility or authority, either directly or indirectly, over
18 the person's employment, including preparing or reviewing performance
19 evaluations, or granting or approving pay raises or promotions;

20 (2) legislators;

21 (3) a public official in another branch, if the public
22 official is required to file a financial disclosure statement under
23 AS 39.50;

24 (4) a registered lobbyist;

25 (5) a person to whom this chapter applies who is employed
26 by a member of the legislature or an agency of the legislature if the
27 close economic association is with a legislator [WHO IS NOT A MEMBER
28 OF THE IMMEDIATE FAMILY OF THE PERSON].

29 * Sec. 5. AS 24.60.100 is amended to read:

1 Sec. 24.60.100. REPRESENTATION. A person to whom this chapter
2 applies who represents another person for compensation before an
3 agency, board, or commission of the state shall disclose the name of
4 the person represented, the subject matter of the representation, and
5 the body before which the representation is to take place in the
6 journal of the appropriate body or if the legislature is not in ses-
7 sion to the committee. The committee shall maintain a public record
8 of the disclosure and forward the disclosure to the respective house
9 for inclusion in the journal by [FCR] the fifth [FIRST] day of the
10 session.

11 * Sec. 6. AS 24.60.110 is amended to read:

12 Sec. 24.60.110. ACTION ON A CONFLICT OF INTEREST. A legislator
13 who knowingly has a conflict of interest or has been notified of a
14 conflict of interest shall immediately

15 (1) resign the conflicting position;

16 (2) divest the interest that has resulted in the conflict
17 or potential conflict; or

18 (3) disclose the conflict of interest in the journal of the
19 appropriate body or if the legislature is not in session to the com-
20 mittee; the committee shall maintain a public record of the disclosure
21 and forward the disclosure to the respective house for inclusion in
22 the journal by [FOR] the fifth [FIRST] day of the session but dis-
23 closure does not remove the conflict of interest.

24 * Sec. 7. AS 24.60.130(b) is amended to read:

25 (b) The committee consists of nine [SEVEN] members, in two
26 subcommittees, as follows:

27 (1) the senate subcommittee consists of three members of
28 the senate, appointed by the president of the senate with the concur-
29 rence by roll call vote of two-thirds of the full membership of the

1 senate; and

2 (2) the house subcommittee consists of three members of the
3 house, appointed by the speaker of the house with the concurrence by
4 roll call vote of two-thirds of the full membership of the house; and

5 (3) three public members [ONE PUBLIC MEMBER,] who are [IS]
6 selected by the Chief Justice of the Alaska Supreme Court [TWO-THIRDS
7 OF EACH SUBCOMMITTEE] and who are [IS] ratified by two-thirds of the
8 full membership of the senate and two-thirds of the full membership of
9 the house, shall serve on both the full committee and each subcom-
10 mittee.

11 * Sec. 8. AS 24.60.130(c) is amended to read:

12 (c) No more than two legislative members of each subcommittee
13 may be members of the same political party or the same organizational
14 caucus. At least one public member must be a former member of the
15 legislature.

16 * Sec. 9. AS 24.60.150(a) is amended to read:

17 (a) The committee shall

18 (1) adopt procedures to facilitate the receipt of inquiries
19 and prompt rendition of its opinions;

20 (2) publish semi-annual summaries of decisions and [,] ad-
21 visory opinions [AND INFORMAL ADVISORY OPINIONS,] with sufficient
22 deletions in the summaries to prevent disclosing the identity of the
23 persons involved in the decisions or opinions that have remained
24 confidential.

25 * Sec. 10. AS 24.60.160 is amended to read:

26 Sec. 24.60.160. ADVISORY OPINIONS. The committee shall issue an
27 advisory opinion within 30 days on the request of a person to whom the
28 chapter applies or a person elected to the legislature who at the time
29 of election is not a member of the legislature as to whether the facts

1 and circumstances of a particular case constitute a violation of
2 ethical standards. The 30-day period for issuing an opinion may be
3 extended by the committee for not more than an additional 10 days if
4 the person requesting the opinion consents. The opinion issued is
5 binding on the committee in any subsequent proceedings concerning the
6 facts and circumstances of the particular case unless material facts
7 were omitted or misstated in the request for the advisory opinion.
8 Except as provided in this chapter an advisory opinion is confidential
9 but may be made public if a written request by the person who re-
10 quested the opinion is filed with the committee.

11 * Sec. 11. AS 24.60.190 is amended to read:

12 Sec. 24.60.190. DEFINITIONS. [DEFINITION OF "COMMITTEE."] In
13 this chapter [,]

14 (1) "committee" means the Select Committee on Legislative
15 Ethics or where appropriate, the applicable subcommittee;

16 (2) "person employed by a member of the legislature" means
17 a person who is employed by an individual legislator or by a legisla-
18 tive body other than an agency of the legislature established under
19 AS 24.20 whose duties include assistance to a legislator or a legisla-
20 tive body in the performance of legislative functions.

21 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

3/12/86

Date 5/1/86

Mr. President

The Committee on JUDICIARY considered CSHB 218(JUD)

standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CSHB 218 (JUDICIARY)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Tim Kelly -
Rick Halford

MEMBERS HAVING
OTHER RECOMMENDATIONS

Jan Fick No Rec
Tim Kelly

Patrick R. Kelly
Chairman/
do pass
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER: JUDICIARY
FINANCE

5/6/85

Date 3/12/85

Mr. President

The Committee on STATE AFFAIRS considered CSHB 218(Jud)

standards of conduct of legislators and legislative employees and to the Select Committee on Legislative Ethics; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CSHB 218(SA)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Edna De Vries
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

Bill Ray no Rec

[Signature]
Chairman
[Signature]
Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 219 (Fin)
Title: 4 Dam Pool Loan terms

FISCAL DETAIL

Agency Affected: A.P.A.

Program Category Affected: _____

Sponsor: Loans

BRU, Program or Subprogram(s) Affected: _____

Requestor: House Finance Committee

Date of Request: 4/1/85

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
506 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER		-0-				
TOTAL		-0-				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This fiscal note better expresses the impact of this bill since no new funds are involved. The loan funds were appropriated last year. This bill only puts loan terms into statute.

Prepared By: Representative Adams - Chairman Phone: 465-3706
Division: House Finance Committee Date: 4/1/85

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/1/84

Original sponsor: House Special Committee
on State Loans

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 219 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the applicability of the Alaska
7 Public Utilities Commission Act to certain electric
8 utilities; power development loans; and the energy
9 program for Alaska."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 42.05.711(b) is amended to read:

12 (b) Public utilities owned and operated by a political subdivi-
13 sion of the state and electric operating entities established as an
14 instrumentality of two or more public utilities owned and operated by
15 a political subdivision of the state, none of whose utilities is in
16 competition with any other utility, are exempt from the provisions of
17 this chapter, other than the provisions of AS 42.05.221 - 42.05.281,
18 unless the owner and operator elects to be subject to all provisions
19 of this chapter.

20 * Sec. 2. AS 44.33.620(a) is amended to read:

21 (a) A loan from the fund shall [MUST] be repaid in accordance
22 with the terms that the department determines to be appropriate. In
23 establishing the terms, including provision for a return to the state
24 of an amount in excess of the principal amount of the loan, the de-
25 partment shall consider the revenue that the authority could reason-
26 ably derive from the sale of power from the projects based upon

27 (1) [THE MARKET RATE OF INTEREST FOR A LOAN OF COMPARABLE
28 SIZE AND DURATION AT THE TIME THE LOAN IS MADE, AND

29 (2) the [ESTIMATED] costs, at the time the power sales

1 agreement is initially negotiated or renegotiated, of alternative
2 sources of energy generation for utilities purchasing power from a
3 project financed with a loan from the fund;

4 (2) the effect of the loan terms on the wholesale power
5 costs to all utilities purchasing power from the initial project;

6 (3) the long-term benefits to consumers and communities of
7 stable wholesale power costs;

8 (4) the affordability of initial wholesale power costs that
9 result from the loan terms with utilities purchasing power from the
10 initial project;

11 (5) increasing repayment, not to exceed five years, of debt
12 service payment per kilowatt hour gradually over the initial period of
13 a loan repayment schedule to the extent necessary to avoid significant
14 rate increases to the consumer;

15 (6) the existing excess capacity of power projects; and

16 (7) the effects of increased capacity utilization, infla-
17 tion, and alternative energy production costs over the life of the
18 initial project.

19 * Sec. 3. AS 44.33.620 is amended by adding a new subsection to read:

20 (d) In (a) of this section "initial project" means the project
21 described in AS 44.83.398(a).

22 * Sec. 4. AS 44.33 is amended by adding a new section to read:

23 Sec. 44.33.625. RATE REOPENERS. A power sales agreement for the
24 sale of power from the initial project, as described in AS 44.83.-
25 398(a), financed with a loan under AS 44.33.610 may include among its
26 provisions an agreed schedule of wholesale power rates notwithstanding
27 the provisions of AS 44.83.398, but must include a provision for a
28 rate reopener.

29 * Sec. 5. AS 44.83.425(5) is amended to read:

1 (5) "qualified utility" means an electric utility or an
2 electric operating entity established as an instrumentality of two or
3 more electric utilities [THAT IS] certified by the Alaska Public
4 Utilities Commission to serve all or part of a market area that is
5 served or will be served by the power project, [AND] that the author-
6 ity determines is capable of operating and maintaining the power
7 project.
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Original sponsor: House Special Committee
on State Loans

1
2 IN THE HOUSE

BY THE FINANCE COMMITTEE

3 CS FOR HOUSE BILL NO. 219 (Finance)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FOURTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

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17 competition with any other utility, are exempt from the provisions of
18 this chapter, other than the provisions of AS 42.05.221 - 42.05.281,
19 unless the owner and operator elects to be subject to all provisions
20 of this chapter.

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23 with the terms that the department determines to be appropriate. In
24 establishing the terms, including provision for a return to the state
25 of an amount in excess of the principal amount of the loan, the de-
26 partment shall consider the revenue that the authority could reason-
27 ably derive from the sale of power from the projects based upon

28 (1) [THE MARKET RATE OF INTEREST FOR A LOAN OF COMPARABLE
29 SIZE AND DURATION AT THE TIME THE LOAN IS MADE; AND

(2)] the [ESTIMATED] costs, at the time the power sales

1
2 agreement is initially negotiated or renegotiated, of alternative
3 sources of energy generation for utilities purchasing power from a
4 project financed with a loan from the fund;

5 (2) the effect of the loan terms on the wholesale power
6 costs to all utilities purchasing power from the initial project;

7 (3) the long-term benefits to consumers and communities of
8 stable wholesale power costs;

9 (4) the affordability of initial wholesale power costs that
10 result from the loan terms with utilities purchasing power from the
11 initial project;

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13 service payment per kilowatt hour gradually over the initial period of
14 a loan repayment schedule to the extent necessary to avoid significant
15 rate increases to the consumer;

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18 tion, and alternative energy production costs over the life of the
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6 served or will be served by the power project, [AND] that the author-
7 ity determines is capable of operating and maintaining the power
8 project.
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4/12/85

MEMORANUUM

TO: Rep. John Sund
FROM: J. Hartle, PA

RE: Amendment to Subcommittee draft of HB 219

Here are some reasons for adding the section:

*Sec. 4. AS 44.33 is amended by adding a new section to read:

Sec. 44.33.625. RATE REOPENERS. A power sales agreement for the sale of power from the initial project financed under AS 44.33.610 may include among its provisions an agreed schedule of wholesale power rates notwithstanding the provisions of AS 44.83.398 but must include a provision for a rate reopener.

1. Will allow the present negotiations to continue.

Negotiations are presently moving forward under a plan from Gordon Harrison. His plan is to offer a wholesale power rate which combines debt service and O & M. The plan would offer the purchasers of power a certain rate per kwh, O&M would be taken out of that rate and whatever is left above O&M would go to debt service. This is not allowed under AS 44.83.398 which specifies that O&M and Debt service must be separated and debt service must be the same for all projects.

2. Will return more debt service to the state.

Per KWH, Tyee has the highest O&M rate; this rate is by itself almost equal to the cost of alternative sources of power. Therefore, if the "Harrison plan" is implemented, very little would be left over for debt service thus limiting the debt service rate that can be paid by the other projects as well (under 398). Other projects with lower O&M are, with this amendment, allowed to provide a greater return to the state for debt service.

3. It still leaves the rate open to negotiations.

The amendment only provides for an agreed schedule, it is silent as to what that rate will be. Under AS 44.83.398 there is no way to agree on a schedule - the rates must fluxuate with loads - if loads go down, rates go up, if loads go up, rates go down. This is the exact problem the communities are trying to get away from - certainty is more important than the actual rate itself; the amendment allows for agreement.

Effective Rate of Return: 2.75%

Initial Loan Principal	\$196,000,000	Ramp Period (Years)	5	4-DAM POOL
Loan Interest Rate	4.00%	D. S. Entry Rate (c/kW.h)	2.00	LCR.. REPAYMENT SCHEDULE
Loan Term (Years)	40	Entry Rate Annual Escalation	6.05%	
Total Energy Capability (GW.h/yr)	378,607	D. S. Rate Ceiling (c/kW.h)	2.602840	CASE 4-A

Year	DEBT SERV COMPONENT (c/kW.h)	PAYMENT FROM ELEC REVENUE	ENERGY SALES (GW.h)	UTILIZ- ATION	CURRENT PRINCIPAL BALANCE	INTEREST DUE FROM 4-DAM POOL	ACTUAL PAY- MENT LESS INT. DUE	PRINCIPAL REPAYMENT DEFERRED	DEFERRED PRINCIPAL BALANCE
1985	2.00	3,104,120	155,206	40.99%	196,000,000	3,213,926	(109,806)	1,217,061	1,217,061
1986	2.12	3,849,550	181,496	47.94%	194,892,746	3,756,990	92,561	1,116,790	2,333,851
1987	2.25	4,306,077	191,437	50.56%	193,683,395	3,954,721	351,356	1,102,865	3,436,735
1988	2.39	4,751,347	199,181	52.61%	192,229,154	4,095,758	655,589	1,099,544	4,535,279
1989	2.53	5,212,398	206,042	54.42%	190,474,021	4,205,259	1,007,139	1,099,799	5,636,078
1990	2.68	5,714,208	212,994	56.26%	188,367,083	4,300,727	1,413,561	1,097,712	6,733,790
1991	2.68	5,877,217	219,067	57.86%	185,855,810	4,361,163	1,516,054	1,099,757	7,833,547
1992	2.68	6,007,552	226,907	59.93%	183,239,999	4,449,374	1,638,178	1,087,542	8,921,089
1993	2.68	6,336,412	236,183	62.38%	180,514,278	4,557,304	1,779,108	1,061,884	9,982,973
1994	2.68	6,596,916	245,893	64.55%	177,673,286	4,664,816	1,932,100	1,029,068	11,012,041
1995	2.68	6,853,020	255,439	67.47%	174,712,118	4,760,231	2,092,789	993,250	12,005,291
1996	2.68	6,990,569	260,566	68.82%	171,625,080	4,767,619	2,222,950	989,981	12,995,272
1997	2.68	7,133,591	265,897	70.23%	168,413,149	4,771,637	2,361,954	983,082	13,978,354
1998	2.68	7,283,428	271,482	71.71%	165,068,112	4,772,574	2,510,854	971,743	14,950,097
1999	2.68	7,440,669	277,343	73.25%	161,585,516	4,770,144	2,670,525	955,320	15,905,417
2000	2.68	7,605,529	283,408	74.63%	157,959,671	4,763,757	2,841,772	933,243	16,838,660
2001	2.68	7,732,481	288,220	76.13%	154,184,656	4,725,569	3,006,912	922,288	17,760,948
2002	2.68	7,781,390	290,043	76.61%	150,255,456	4,633,629	3,147,761	939,834	18,700,782
2003	2.68	7,831,907	291,926	77.11%	146,167,861	4,536,187	3,295,720	956,646	19,657,428
2004	2.68	7,884,572	293,889	77.62%	141,915,495	4,433,170	3,451,401	972,381	20,629,809
2005	2.68	7,939,463	295,935	78.16%	137,491,713	4,324,205	3,615,257	986,853	21,616,662
2006	2.68	7,996,661	298,067	78.73%	132,889,602	4,208,891	3,787,770	999,859	22,616,521
2007	2.68	8,056,300	300,290	79.31%	128,101,973	4,086,822	3,969,478	1,011,153	23,627,674
2008	2.68	8,118,488	302,608	79.93%	123,121,342	3,957,546	4,160,942	1,020,474	24,648,147
2009	2.68	8,183,279	305,023	80.56%	117,939,925	3,820,549	4,362,730	1,027,568	25,675,716
2010	2.68	8,250,873	307,541	81.23%	112,549,627	3,675,330	4,575,503	1,032,102	26,707,818
2011	2.68	8,321,231	310,165	81.92%	106,942,022	3,521,308	4,799,922	1,033,753	27,741,570
2012	2.68	8,394,633	312,901	82.55%	101,108,347	3,357,895	5,036,738	1,032,125	28,773,696
2013	2.68	8,471,148	315,753	83.40%	95,039,483	3,184,428	5,286,719	1,026,818	29,800,514
2014	2.68	8,550,882	318,725	84.18%	88,725,946	3,000,199	5,550,683	1,017,397	30,817,911
2015	2.68	8,634,023	321,824	85.00%	82,157,866	2,804,469	5,829,554	1,003,334	31,821,245
2016	2.68	8,720,652	325,053	85.85%	75,324,978	2,596,405	6,124,247	984,130	32,805,376
2017	2.68	8,810,983	328,420	86.74%	68,216,601	2,375,152	6,435,831	959,147	33,764,523
2018	2.68	8,905,124	331,929	87.67%	60,821,622	2,139,753	6,765,371	927,769	34,692,291
2019	2.68	9,003,262	335,587	88.64%	53,128,483	1,889,200	7,114,062	889,265	35,581,556
2020	2.68	9,105,559	339,400	89.64%	45,125,156	1,622,397	7,483,162	842,864	36,424,421
2021	2.68	9,212,202	343,375	90.69%	36,799,130	1,338,166	7,874,035	787,707	37,212,128
2022	2.68	9,323,352	347,518	91.79%	28,137,388	1,035,234	8,288,118	722,882	37,935,010
2023	2.68	9,439,197	351,836	92.93%	19,126,387	712,229	8,726,968	647,379	38,582,389
2024	2.68	9,559,978	356,338	94.12%	9,752,041	367,600	9,192,299	560,052	39,142,441
2025	1.34	4,825,870	361,030	95.36%	(310)	1,565,665	3,260,185		35,881,945
2026	1.32	4,825,870	365,921	96.65%		1,435,278	3,390,592		32,491,353
2027	1.30	4,825,870	371,019	98.00%		1,299,654	3,526,216		28,965,137
2028	1.28	4,825,870	376,334	99.40%		1,158,605	3,667,265		25,297,872
2029	1.27	4,825,870	378,607	100.00%		1,011,915	3,813,955		21,483,917
2030	1.27	4,825,870	378,607	100.00%		859,357	3,965,514		17,517,403
2031	1.27	4,825,870	378,607	100.00%		700,696	4,125,174		13,392,229
2032	1.27	4,825,870	378,607	100.00%		535,689	4,290,181		9,102,048
2033	1.27	4,825,870	378,607	100.00%		364,082	4,461,788		4,640,260
2034	1.27	4,825,870	378,607	100.00%		185,610	4,640,260		(0)
TOTALS		347,628,986	15,046,933			151,628,966	196,000,000	39,142,441	

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/12/85

REQUEST

Bill/Resolution No.: CS HB 219
Title: An Act relating to the applicability of the Alaska Public ...

FISCAL DETAIL DCED/Alaska Power Authority
Agency Affected: Alaska Public Utilities Commission
Program Category Affected: Loans

Sponsor: House Spec. Comm. on State BRU, Program or Subprogram(s) Affected:
Requestor: _____
Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES				NOT APPLICABLE		
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS						
OTHER				NOT APPLICABLE		
TOTAL						

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME						
PART-TIME				NOT APPLICABLE		
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: William H. Batt Phone: 276-0001
Division: Alaska Power Authority Date: 4/12/85

Approved by Commissioner: Loren H. Lounsbury Date: 4/12/85
Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/1/84

Article 9. Power Development Revolving Loan Fund.

Section	Section
600. Creation of fund	620. Loan terms
610. Powers and duties of department in administering the fund	630. Definitions

Sec. 44.33.600. Creation of fund. (a) There is established in the Department of Commerce and Economic Development the power development revolving loan fund to carry out the purpose of AS 44.33.600 — 44.33.630. The fund may be used for no other purpose.

(b) The fund consists of

- (1) appropriations to the fund by the legislature;
- (2) repayments of principal to the fund; and
- (3) income from investment of money in the fund and from loans made from the fund. (§ 1 ch 169 SLA 1984)

Sec. 44.33.610. Powers and duties of department in administering the fund. (a) The department may make a loan from the power development revolving loan fund to the Alaska Power Authority for the purpose of financing a power project acquired or constructed by the authority under the energy program for Alaska (AS 44.83.380 — 44.83.425). Repayment of a loan from the fund must be made with the proceeds from the sale of power from projects in the energy program for Alaska. Except as provided in AS 44.83.398(i), the payments required to be made by the authority on a loan from the fund constitute debt service for the purpose of calculating the wholesale power rate in AS 44.83.398(b)(1).

(b) After completion of a final plan of finance and approval of a project under AS 44.83.185(c), a loan may be made from the fund for

- (1) the cost or a portion of the cost of final design, acquisition, and construction of a power project;
- (2) defeasance or payment of bonds or notes of the authority issued for a power project;
- (3) the establishment of a reserve fund for renewals and replacements for the operation of a completed power project; and
- (4) any other project related expenses including those described in AS 44.83.398(i). (§ 1 ch 169 SLA 1984)

Sec. 44.33.620. Loan terms. (a) A loan from the fund must be repaid in accordance with the terms that the department determines to be appropriate. In establishing the terms, including provision for a return to the state of an amount in excess of the principal amount of the loan, the department shall consider the revenue that the authority could reasonably derive from the sale of power from the projects based upon

- (1) the market rate of interest for a loan of comparable size and duration at the time the loan is made; and

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(2) the estimated costs of alternative sources of energy generation for utilities purchasing power from a project financed with a loan from the fund.

(b) The department may agree with the authority to defer repayment of a loan. However, the loan must be repaid in full during the period of the loan agreement.

(c) A loan to the authority from the fund may not exceed 50 years. (§ 1 ch 169 SLA 1984)

Sec. 44.33.630. Definitions. In AS 44.33.600 — 44.33.630

(1) "authority" means the Alaska Power Authority;

(2) "department" means the Department of Commerce and Economic Development;

(3) "fund" means the power development revolving loan fund;

(4) "power project" means a project acquired or constructed under the energy program for Alaska, AS 44.83.380 — 44.83.425. (§ 1 ch 169 SLA 1984)

Chapter 35. Department of Military and Veterans' Affairs.

Section

- 10. Adjutant general
- 20. Duties of department

Section

- 30. Construction of memorials to Alaska veterans

Sec. 44.35.010. Adjutant general. The principal executive officer of the Department of Military and Veterans' Affairs is the adjutant general. (§ 15 ch 64 SLA 1959; am E.O. No. 58, § 20 (1984))

Effect of amendments. — The 1984 amendment inserted "and Veterans'."

2d, Military, and Civil Defense, §§ 4, 30, 33, 37.

Collateral references. — 53 Am. Jur.

57 C.J.S., Militia, § 11.

Sec. 44.35.020. Duties of department. The Department of Military and Veterans' Affairs shall

(1) conduct the military affairs of the state as prescribed by the Military Code; and

(2) cooperate with the federal government in matters of mutual concern pertaining to the welfare of Alaskan veterans, including establishing, extending, or strengthening services for veterans in Alaska. (§ 15 ch 64 SLA 1959; am E.O. No. 58, § 21 (1984))

Effect of amendments. — The 1984 amendment rewrote and restructured this section, which formerly read "The Department of Military Affairs shall conduct the military affairs of the state as prescribed

by the Military Code."

Editor's notes. — For the Military Code of Alaska, see AS 26.05.

Collateral references. — 53 Am. Jur. 2d, Military, and Civil Defense, § 1 et seq.

A M E N D M E N T

OFFERED IN THE HOUSE:

By: SUND

To: _____ HOUSE BILL No. 219

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page 1, line 13

Delete "regional electric authorities"
Replace with "electric operating entities"

Page 2, line 22, 23

Delete "a regional electric authority"
Replace with "an electric operating entity"

Purpose of amendment:

A term of art "regional electric authority" was inadvertantly used; the effect of using this term would be to deregulate an existing electric authority. The amendment would clarify the legislative intent and leave unchanged existing APUC regulation.

E. C. PHILLIPS & SON, INC.
Box 8235
KETCHIKAN, ALASKA 99901

AB219
Sumed

March 28, 1985

Mayor Charles Freeman
City of Ketchikan, Alaska

Dear Chuck,

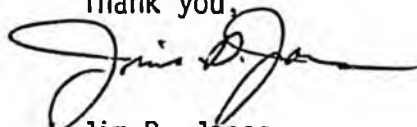
I am writing this letter to inform you that we are strongly considering buying diesel generators due to the high cost of K.P.U. power. We have done considerable research and found that we can generate for less than $6\frac{1}{2}\text{¢}$ per kilowatt hour.

We feel that since Swan Lake is being utilized less than 50%, we should not have to pay a demand charge since there is a surplus of power. I am enclosing a copy of a proposal on diesel power which clearly shows that by using their option 3 plan at $6\frac{1}{2}\text{¢}$ per kilowatt hour, we could save close to \$40,000 a year. This is based on \$1.25 per gallon for fuel and we are only paying \$.94 per gallon at the present time.

We also have another option which would be to ship all of our product South during the season and close the plant at the end of the season. We normally keep a crew employed in the Winter to pack the fish and fill our orders directly from Ketchikan.

We would like to keep the plant open all year round, utilizing K.P.U.'s power, but the continuing high cost may prohibit us from doing this.

Thank you,



Jim D. Jones
Chief Engineer

JDJ:cw

February 9, 1985

E.C. Phillips & Son
P.O. Box 8235
Ketchikan, Alaska 99901
Attn: Jim Jones

Re: Diesel electric power conversion for your Ketchikan plant

Jim,

For your electric power requirements, I am pleased to offer you the following quote.

Option #1

2 (two) each NTA 495 G1, 1800 R.P.M. 110 KW prime, (125 KW w/o fan) diesel electric generators for the price of\$39,025.00

Which includes the following:

- * Skid mounted w/pad type vibration isolation
- * Radiator cooled
- * Unit mounted manual start control panel with complete instrumentation and manual paralleling capability
- * Unit mounted circuit breaker
- * Stainless steel exhaust flex and Nelson "critical level" exhaust silencers
- * Vernier throttles
- * Batteries, rack and cables
- * Custom Registry
- * F.O.B. your plant, Ketchikan, Alaska - delivered

Alternates:

- A. Wall mounted control panel for both units w/complete instrumentation for manual paralleling\$9,528.00
- B. Heat exchanger cooling (skid mounted) for both units...\$1,267.00
- C. Motor operated circuit breakers for both units\$1,425.00

Option #2

2 (two) each Cummins N 855 G, 1800 R.P.M., 135 KW prime (140 KW w/o fan) diesel electric generators for the price of \$47,335.00
Which includes the same equipment as in option #1.

Alternates:

- A. Same as option #1 alternate A.....\$9,528.00
- B. " " B.....\$2,156.00
- C. " " C.....\$1,425.00

Option #3

2 (two) each Cummins NT 855 G3 1200 R.P.M., 160 KW prime (170 KW w/o fan) diesel electric generators for the price of\$57,200.00

Alternates:

A. Same as option #1 alternate A	\$9,528.00
B. " " B	\$1,625.00
C. " " C	\$1,425.00

Summarization:

Initial investment cost per KW (includes wall mounted panel, heat exchanger cooling, and motor operated breakers).

- Option #1 \$232.93
- Option #2 \$223.87
- Option #3 \$218.06

KW cost per hour, based on both units (set up heat exchanger cooled, w/wall panel, & motor operated breakers), operating continuously at 3/4 rated load each for 5 years. Include the following:

- (1) The investment cost amortized over 5 years
- (2) Fuel @ rated consumption based on \$1.25 per gallon
- (3) \$3.00 per hour for lube oil, filters, maintenance and 1 major overhaul in the 5 year period

Option #1.....	Less than 8¢ per KW/hr.
(1) per KW/hr.....	\$0.0070907
(2) " ".....	0.0533333
(3) " ".....	0.0160000
	<u>\$0.0764240</u>

Option #2.....	Less than 7¢ per KW/hr.
(1) per KW/hr.....	\$0.0065714
(2) " ".....	0.0465686
(3) " ".....	0.0142857
	<u>\$0.0684761</u>

Option #3.....	Less than 6½¢ per KW/hr.
(1) per KW/hr.....	\$0.0062474
(2) " ".....	0.0465686
(3) " ".....	0.0117647
	<u>\$0.0645807</u>

As you can see the larger the unit, the lower the cost, if you can utilize the power. Remember while one unit is not being used your KW/hr. cost would ~~cost~~ *increase by the amortized factors; decrease by fuel & maintenance factors.*

I hope that this has been some help to you. The prices quoted are firm for 60 days and subject to change thereafter. Availability on these units is 60 days. I look forward to doing business with you.

RETAIL RATES
(cents per kwh)

<u>Community</u>	<u>@ 200 kwh/month</u>	<u>@ 500 kwh/month</u>	<u>@ 700 kwh/month</u>
Copper Valley			
-Glenallen	23.5	20.1	18.8
-Valdez	21.3	16.0	14.7
Kodiak	19.0	18.1	17.5
Wrangell	19.1	16.3	15.7
Petersburg	13.9	11.7	11.2
Ketchikan	14.3	10.8	10.2

COMPONENTS OF THE RATES
(cents per kwh)

<u>Community</u>	<u>APA O&M</u>	<u>APA Debt Service</u>	<u>Other *</u>	<u>Total (@ 700 kwh/month)</u>
Copper Valley				
-Glenallen	2.76	2.64	13.4	18.8
-Valdez	2.76	2.64	9.3	14.7
Kodiak	2.00	2.64	12.86	17.5
Wrangell	4.59	2.64	8.47	15.7
Petersburg	4.59	2.64	3.97	11.2
Ketchikan	2.91	2.64	4.65	10.2

* "Other" includes distribution, administrative and general, reserve generation, and other generation (other hydro as well as diesel in the case of Ketchikan and Petersburg.)

3/4/85

MEMORANDUM

TO: Rep. John Sund, Chair,
House Special Committee on Loans

FROM: John Hartle, AA *JH*

RE: Analysis of HB 219 (Hydro)

The purpose of this bill is to set out in law terms for the \$196 million loan from the Department of Commerce and Economic Development to the Alaska Power Authority which was appropriated last year to take out the short term bonds issued to complete construction of the four dam pool hydroelectric projects. The Department currently has broad discretion to set the terms of loans from the Power Development Revolving Loan Fund, but agreement has not been reached with the four dam pool communities.

The bill is based on the power sales proposal from the communities and will lead to long term power sales agreements if enacted. It adds a new subsection to AS 44.33.620 (attached) - terms for Power Development Loans. This subsection specifically addresses loan terms only for the initial project (as described in AS 44.83.398(a), "initial project" is the four dam pool).

The bill does not constrain the Department of Commerce's flexibility now in law for setting terms for future projects (Bradley, Susitna, etc.). In HB 219 we avoid interfering with the Department's discretion in setting the terms of loans for those projects.

Sectional Analysis:

Section 1: This section expands the definition of "qualified utility" to include joint operating agencies. A joint operating agency is an instrumentality of two public utilities owned and operated by municipalities. The primary purpose of this section is to allow Wrangel and Petersburg to jointly operate the Tyee Hydroelectric Project, without subjecting them to economic regulation by the APUC. There may be other communities in the state with the same needs.

Section 2: This section just adds the words "Except as provided in (d) of this section." It also shows current law setting loan terms.

Section 3: The new subsection. (1) Sets the loan terms to provide for an interest rate not to exceed four percent, fifty-year maximum term, forty-year amortization period.

(2) Sets the payment rate per kilowatt hour for the debt service component of electric rates. The rate is based on spreading the debt service payment over the total amount of electricity offered by the

project for sale. This will produce a fixed debt service rate for the life of the loan, subject to the "ramping" provision in (3).

(3) Allows repayment to be adjusted during the first five years to provide a "ramp up" in rates, avoiding a severe rate shock. Interest deferred during the first five years is added to the principal balance and scheduled for full repayment in later years.

(4) Provides that any principal not paid under subsection (2) be paid off, with interest, during the last ten years of the loan terms.

Section 4: Adds regional electric authority to the definition of "Qualified Utility" for APUC certification. (Same purpose as section 1.)

Article 9. Power Development Revolving Loan Fund.

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- (2) repayments of principal to the fund; and
- (3) income from investment of money in the fund and from loans made from the fund. (§ 1 ch 169 SLA 1984)

Sec. 44.33.610. Powers and duties of department in administering the fund. (a) The department may make a loan from the power development revolving loan fund to the Alaska Power Authority for the purpose of financing a power project acquired or constructed by the authority under the energy program for Alaska (AS 44.83.380 — 44.83.425). Repayment of a loan from the fund must be made with the proceeds from the sale of power from projects in the energy program for Alaska. Except as provided in AS 44.83.398(i), the payments required to be made by the authority on a loan from the fund constitute debt service for the purpose of calculating the wholesale power rate in AS 44.83.398(b)(1).

(b) After completion of a final plan of finance and approval of a project under AS 44.83.185(c), a loan may be made from the fund for

- (1) the cost or a portion of the cost of final design, acquisition, and construction of a power project;
- (2) defeasance or payment of bonds or notes of the authority issued for a power project;
- (3) the establishment of a reserve fund for renewals and replacements for the operation of a completed power project; and
- (4) any other project related expenses including those described in AS 44.83.398(i). (§ 1 ch 169 SLA 1984)

Sec. 44.33.620. Loan terms. (a) A loan from the fund must be repaid in accordance with the terms that the department determines to be appropriate. In establishing the terms, including provision for a return to the state of an amount in excess of the principal amount of the loan, the department shall consider the revenue that the authority could reasonably derive from the sale of power from the projects based upon

- (1) the market rate of interest for a loan of comparable size and duration at the time the loan is made; and

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(2) the estimated costs of alternative sources of energy generation for utilities purchasing power from a project financed with a loan from the fund.

(b) The department may agree with the authority to defer repayment of a loan. However, the loan must be repaid in full during the period of the loan agreement.

(c) A loan to the authority from the fund may not exceed 50 years. (§ 1 ch 169 SLA 1984)

Sec. 44.33.630. Definitions. In AS 44.33.600 — 44.33.630

- (1) "authority" means the Alaska Power Authority;
- (2) "department" means the Department of Commerce and Economic Development;
- (3) "fund" means the power development revolving loan fund;
- (4) "power project" means a project acquired or constructed under the energy program for Alaska, AS 44.83.380 — 44.83.425. (§ 1 ch 169 SLA 1984)

Chapter 35. Department of Military and Veterans' Affairs.

<p>Section</p> <p>10. Adjutant general</p> <p>20. Duties of department</p>	<p>Section</p> <p>30. Construction of memorials to Alaska veterans</p>
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Sec. 44.35.010. Adjutant general. The principal executive officer of the Department of Military and Veterans' Affairs is the adjutant general. (§ 15 ch 64 SLA 1959; am E.O. No. 58, § 20 (1984))

Effect of amendments. — The 1984 amendment inserted "and Veterans'." 2d, Military, and Civil Defense, §§ 4, 30, 33, 37.
Collateral references. — 53 Am. Jur. 57 C.J.S., Militia, § 11.

Sec. 44.35.020. Duties of department. The Department of Military and Veterans' Affairs shall

- (1) conduct the military affairs of the state as prescribed by the Military Code; and
- (2) cooperate with the federal government in matters of mutual concern pertaining to the welfare of Alaskan veterans, including establishing, extending, or strengthening services for veterans in Alaska. (§ 15 ch 64 SLA 1959; am E.O. No. 58, § 21 (1984))

Effect of amendments. — The 1984 amendment rewrote and restructured this section, which formerly read "The Department of Military Affairs shall conduct the military affairs of the state as prescribed by the Military Code."
Editor's notes. — For the Military Code of Alaska, see AS 26.05.
Collateral references. — 53 Am. Jur. 2d, Military, and Civil Defense, § 1 et seq.

Table 6. Hydroelectric Projects Operating in Alaska

<u>REGION.</u>	<u>SERVICE AREA</u>	<u>PROJECT</u>	<u>INSTALLED CAPACITY (MW)</u>	<u>AVERAGE ANNUAL GENERATION (MWh)</u>	<u>DATE CONSTRUCTED</u>
South Central	Anchorage	Cooper Lake	15.0	42,000	1961
	Anchorage	Eklutna	30.0	147,875	1955
	Kodiak	*Terror Lake	20.0	139,700	1984
	Valdez	*Solomon Gulch	12.0	55,000	1982
Southeast	Juneau	Annex Creek	3.5	27,500	1915
	Juneau	Gold Creek	1.6	6,000	1904
	Juneau	Snettisham	46.7	211,000	1973
	Juneau	Upper Salmon Creek	2.8	14,000	1914
	Ketchikan	Beaver Falls	5.4	36,200	1947
	Ketchikan	Ketchikan Lakes	4.2	16,400	1957
	Ketchikan	Silvis	2.2	11,000	1974
	Ketchikan	*Swan Lake	22.0	88,000	1984
	Metlakatla	Purple Lake	3.0	15,800	1956
	Pelican	Pelican Creek	0.5	2,500	1940
	Petersburg	Crystal Lake	1.6	11,000	1956
	Petersburg/ Wrangell	*Tye Lake	20.0	133,000	1984
	Sitka	Blue Lake	8.0	39,800**	1961
	Sitka	Green Lake	18.5	46,500**	1982
	Skagway	Dewey Lakes	0.7	700	1909

* APA Projects.

** Firm energy rather than average annual generation.