

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 702

1

(3) ships or transports a tobacco product to a retailer in the state for sale by the

2

retailer.

3111 C STREET, SUITE 455
ANCHORAGE, ALASKA 99503
(907) 561-7628

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE



CHAIR
RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

Sponsor Statement HB 2

The House HESS Committee combined the elements of HB 2 and HB 3 into one bill. The legislation simply increases the current tax on smokeless tobacco products from 25 percent of the wholesale price to 35 percent of the wholesale price. The tax on cigarettes will increase from 29 cents a pack to 41 cents a pack. The total amount of new revenue from HB 2 — combining both cigarette and smokeless tobacco taxes — is \$4.67 million.

Why increase taxes on cigarettes and other tobacco products?

1. Good Fiscal Policy — In 1991, tobacco taxes accounted for \$14 million dollars in state revenue. If HB 2 passes, the state revenue generated would be close to \$19 million, which recovers only 23 percent of the costs attributed to smoking deaths in Alaska.

2. Good Health Policy — High costs for the product cause people to cut down or quit — and teenagers are particularly price sensitive. Economic studies show that approximately 1 percent real price increase leads to 1 percent reduction in teenage consumption.

3. Good Politics — Polling shows that where respondents are faced with a choice of various tax increases — cigarettes are the first to be taxed. A June 1990 Wall Street Journal and NBC News poll found that 83 percent of voters would favor increasing alcohol and tobacco taxes *if* the people had to have a tax increase.

The State Department of Health & Social Services has come out in full support of HB 2. Alaska is among the states at highest risk for tobacco and smokeless tobacco products use and their devastating health consequences and economic costs. Alaska is ranked 2nd in the nation for death due to oral and pharynx related cancers and is ranked 3rd in the nation for smoking prevalence rates.

Cancer deaths among Alaska Natives are higher than all other Indian Health Service Areas, and now exceed the U.S. average. Cancer is the leading cause of death for Alaska Native women and ranks third for men, according to Dr. Anne P. Lanier, Epidemiologist for the Alaska Area Native Health Service.



ALASKA CIGARETTE TAXES V. OTHER STATES

Alaska ranks 18th in the nation for rate of state cigarette taxes and ties four states for 12th in the nation in the rate of state smokeless tobacco taxes. If CSHB 2 passes, Alaska would be tied for 3rd highest in the nation for cigarette taxes and would be tied for 7th highest in smokeless tobacco taxes.

CSHB 2 DISCOURAGES YOUNG PEOPLE FROM BECOMING ADDICTED

These additional taxes are found to be most effective in discouraging young people from smoking or chewing tobacco *before* they get addicted. Statistics show that 60 percent of current smokers started by age 14, some 90 percent by age 19. Tobacco companies collect more than \$1.25 billion annually from the sale of their products to minors. A 1989 Alaska study shows that by grade 12, 18 percent of boys and 27 percent of girls were smoking regularly.

According to findings from the federal Office of Technology Assessment, smoking costs employers \$38 billion to \$95 billion per year in the form of lost productivity and health care costs. In 1989 there were 351 smoking attributable deaths in Alaska, with over \$83.2 million in direct and indirect costs; including hospital care, physician services, lost wages, lost earnings, lost productivity, etc.

CSHB 2 IS SUPPORTED BY:

The American Cancer Society
Substance Abuse Directors Association of Alaska
American Lung Association of Alaska
Alaska Native Health Board
Anchorage Municipal Health and Human Services Commission
Alaska Department of Health & Social Services
Alaska State Medical Association
Alaska Nurses Association

...And numerous private doctors and nurses

Thank you for supporting CSHB 2.

Questions and Answers About Taxes

Whenever a cigarette excise tax is proposed or even considered, questions arise over certain issues. Regressivity, crime, smuggling, smokeless tobacco products, declining revenues, and the fate of the tobacco farmer are the topics that arise most frequently. The following responses have been researched to address these issues.

Are tobacco taxes regressive?

Taxes are considered regressive when they fall most heavily on people least able to pay. To the extent that people with lower incomes already smoke more, the cost of cigarettes, with or without a tax, represents a higher portion of their income. The higher smoking rates among the poor mean that the resulting disease and death rates are also higher in this group—the people least able to afford them—than among those with more education and income. Tax increases, rather than seducing people into smoking, help them quit or not begin by raising the price to unaffordable levels. The real burden to the poor comes not only from the cost of tobacco but from the health consequences of addiction to cigarettes.

People who use tobacco, regardless of their income level, also use more health services. The United States Office of Technology Assessment reports that cigarette smoking was responsible for \$22 billion in health

care costs and \$43 billion in lost productivity in the US in 1985. A tobacco tax is more like a user's fee.

Although the costs of growing tobacco and producing cigarettes have declined in recent years, tobacco companies have raised prices to maintain and increase their profits without consideration for their low-income smokers. During the 1980s, US tobacco company profits soared as a result of price hikes, while the number of packages sold declined, from 31.575 billion in 1980 to 26.665 billion in 1989. A package of US cigarettes averaged 61.4¢ in 1980 and \$1.44 by 1988.

Economists have shown that if the

price of cigarettes is too high, fewer children will start to smoke. A 20¢ tax increase is likely to result in 500,000 fewer teenage smokers, according to a 1989 report of the US General Accounting Office. Thus, a cheap tobacco policy means the problem will merely be perpetuated for another generation.

Cigarette taxes that are earmarked for health education, counter-advertising, medical research on tobacco-related diseases, physician payments for low-income patients, and other services actually offer more benefits to the poor (who smoke more and use more of the services of health systems) than to those with higher incomes.

MARGULIES
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Doesn't increasing tax on every package of cigarettes discriminate unfairly against minority smokers?

As smoking has declined among the more affluent and well-educated, tobacco companies have not chosen to recapture this market. Instead, they've gone after women and minorities, populations they consider more likely to succumb to their messages. Higher taxes are a way of offsetting the tobacco industry's recruitment efforts among minorities and women since higher cigarettes prices can discourage smoking.

Will a tax increase cause smuggling?

The tobacco industry plays up the problem of smuggling, as was particularly evident in its unsuccessful effort to prevent the large tobacco tax increase in California. But even with large differences in taxes between states, there are few recent reports of illegal sales across state lines in the United States. For example, in 1988 the tax on cigarettes in New Jersey was 27¢ per pack and that of nearby Virginia only 2.5¢ a pack, a difference of 24.5¢. Yet smuggling between the two states was not considered a problem by the director of the New Jersey Division of Taxation. In fact, the New Jersey legislature upped its tax another 13¢ in July 1990, effectively widening the gap between their state's cigarette taxes and Virginia's.

The federal Contraband Cigarette Act of 1977 made it a federal offense to smuggle cigarettes from state to state and imposed strict bookkeeping requirements on producers and distributors. The law has been extremely effective in stopping over-the-road smuggling, according to a government report published in 1985.

Prominent marking of packages to

show payment of tax and significant penalties for smuggling activities can discourage smuggling. It has also appeared that jurisdictions with high tobacco tax can successfully bring pressure on low-tax neighbors to adjust their tobacco tax policy.

Will an increase in tobacco tax cause more crime?

Tobacco industry advertising during the campaign to raise the cigarette tax in California emphasized that crime would increase because of the smuggling of lower-priced cigarettes from other states. The police would spend so much time chasing cigarette smugglers they wouldn't be able to enforce other laws. The ads showed how an outbreak of gang warfare would begin if the tax were increased. The industry had discovered that fear of crime, especially gang violence, was a cause of concern among California voters and so it attempted to link the tax increase with this concern. However, there has been little evidence of a tobacco-related crime increase in California since the tax rose 250%.

The real crime is the illegal sale of cigarettes to children in many areas. A recent study showed that in the United States, about 3% of tobacco profits—\$221 million in 1988—derived from sales to children, even though selling cigarettes to minors is illegal in 43 states. An increase in the price of cigarettes would reduce illegal sales to children.

Should smokeless tobacco be taxed?

"Smokeless tobacco" refers to moist snuff (finely shredded leaf held in the mouth and then spit out) and chewing tobacco (coarser tobacco which may also be held in the mouth, and is chewed and then spit). "Smoke-

less" is a term the tobacco industry likes because it connotes cleanliness and safety, two qualities lacking in these forms of tobacco, which cause both increased spitting and cancer of the mouth, throat, and neck. Moreover, smokeless forms of tobacco deliver more nicotine than cigarettes and are more addictive than cigarettes.

Use of smokeless tobacco was on the decline in the US but has increased during the past 20 years, mainly among adolescent boys. Although spitting tobacco is no longer advertised on radio or television in the United States, tobacco companies aggressively promote the products, with heavy emphasis on sampling.

Most jurisdictions have not kept up with the increase in use by taxing smokeless tobacco products or raising extremely low existing taxes. Smokeless forms of tobacco are taxed at very low rates nationally in the United States and not at all in a few states and some countries. Yet children are more likely than adults to quit using any form of tobacco after a price increase, possibly because their habits are less ingrained and they have less disposable income. An increased tax would prevent many children from taking up this increasingly popular and dangerous practice.

Won't it cost more to impose a tax on other tobacco products than the tax could bring in?

States in the US that tax other tobacco products have found the administrative costs to be very low. For example, in 1989, the Florida Department of Taxation reported that its administrative expenses for collection of the tax was 0.04% of the revenue collected; Indiana reported costs of 0.28%.

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Is a tax on smokeless tobacco products difficult to administer?

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If increased taxes on cigarettes cause fewer people to smoke, won't revenue go down?

The price of a package of cigarettes has the greatest impact on the decision of a child to smoke. Since in most areas, sale of cigarettes to children is illegal anyway, does the state want to make money from illegal sales to them?

Most states have found that a substantial increase in the tax will bring in a proportional increase in revenue even as the number of packages of cigarettes sold declines. Since the decline in number of smokers occurs gradually over time, any drop in tax-generated revenues will also take place slowly.

The prices of cigarettes have increased because tobacco companies

and retailers have taken greater proportions of each dollar of cigarettes sold while governments have seen their percentage of revenue from cigarettes decrease. In 1978, US federal excise taxes accounted for 15% of the price of a pack of cigarettes, while state and local excise taxes made up another 23%. In 1988, federal taxes made up 13% and state and local taxes 14% of the retail price of cigarettes.

What about tobacco farmers? Won't they be displaced if excise taxes reduce cigarette consumption?

In the United States, taxes now go to support farmers who grow tobacco. Earmarked taxes on cigarettes could help the same farmers switch to other crops, as the Tobacco Use in America conferees recommended in 1989.

Tobacco growing has been decreasing steadily in the United States, even before the first Surgeon General's report warned of the dangers of smoking. In 1950, almost 1.6 million acres of tobacco were grown; by 1987, the number of acres had declined to 602,000. This gradual decline means that fewer children of tobacco farmers will follow their parents into tobacco farming, as economist Kenneth Warner has observed, rather than that many current farmers will be immediately displaced.

Although tobacco companies claim to champion tobacco farmers, American cigarettes now contain less domestic tobacco than they did 15 years ago. Tobacco companies have invested money in teaching farmers in other countries, including Brazil and Zimbabwe, how to grow high-quality tobacco, which the companies can buy for less than that grown in the US.

The political base of the tobacco

industry is in tobacco-growing areas, but farmers are not the major recipients of industry wealth. While farmers earned \$1.9 billion for their crop in 1987, the advertising industry received \$2.58 billion that year.

Acknowledgments

Much of the research for these questions and answers was developed by panelists of a seminar on excise taxes at the Countdown 2000 Conference, Sept. 1990, sponsored by Tobacco-Free America. Panelists were Jonathan Ratner, PhD, US General Accounting Office; Michael Dany, Vice President of Programs, Texas Division of the American Cancer Society; Mary Sandberg, Associate Director of Public Issues of the California Division of the ACS; Mary Crane, Legislative/Regulatory Representative of the American Heart Association, Washington, DC; and Susan Schoenmarklin, Director of Governmental Affairs for the Ohio Division of the ACS. Susan Schoenmarklin reviewed the responses and contributed her own research on taxes on smokeless tobacco products. Greg Connolly, DMD, of the Massachusetts Department of Public Health, investigated tobacco industry sales and profits throughout the 1980s. 🌐

Sources

DiFranza JR, Tye J: Who profits from tobacco sales to children? *JAMA* 263:2784-2787, May 1990.
Boyd GM, Glover E: Smokeless tobacco use by youth in the US. *Journal of School Health* 59:189-194, May 1989.
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White, Lawrence: *Merchants of Death: The American Tobacco Industry*. New York, Beech Tree Books, 1988.

FIGURE 1

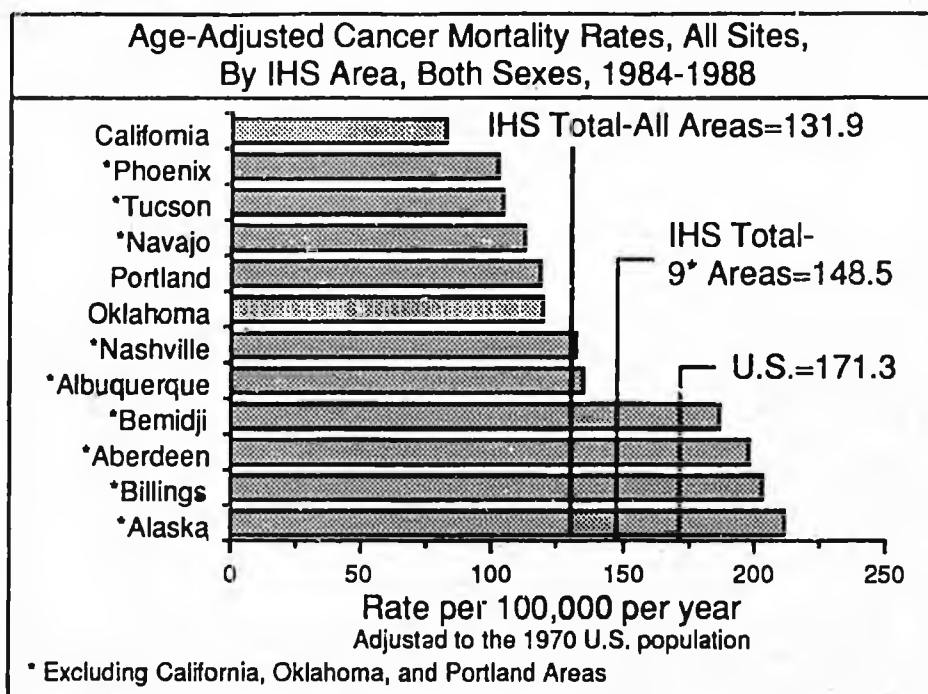


Chart 2

From 1984 to 1988, the age-adjusted cancer mortality rate for both sexes, for all cancers, was 131.9/100,000 for the entire IHS service population. When the 3 IHS Areas with apparent problems in underreporting of Indian race on death certificates are excluded, the rate was 148.5/100,000.

Of the IHS Areas, Alaska and Billings Areas had rates significantly higher than the US rate. The rates for Aberdeen and Bemidji Areas, while higher than the US rate, were not significantly higher. All other IHS Areas had rates significantly lower than the US rate.

Total Number of Deaths and Age-Adjusted Cancer Mortality Rates, All Cancer Sites, by IHS Area, 1984-1988

| | Both Sexes | | Males | | Females | |
|---------------------------|------------|-------------------|-------|-------------------|---------|-------------------|
| | N | Rate ¹ | N | Rate ¹ | N | Rate ¹ |
| U.S. All Races | | 171.3 | | 218.7 | | 139.5 |
| All IHS Areas | 3776 | 131.9 ** | 1925 | 133.9 ** | 1851 | 130.1 |
| 9* IHS Areas ² | 2378 | 148.5 | 1182 | 142.6 ** | 1196 | 154.1 |
| Aberdeen* | 373 | 198.3 | 182 | 192.9 | 191 | 203.5 ** |
| Alaska* | 421 | 211.3 ** | 220 | 201.3 | 201 | 220.8 ** |
| Albuquerque* | 181 | 135.1 ** | 99 | 143.9 ** | 82 | 126.7 |
| Bemidji* | 237 | 186.8 | 133 | 205.5 | 104 | 169.1 ** |
| Billings* | 224 | 202.9 ** | 112 | 191.3 | 112 | 213.9 ** |
| California | 178 | 81.9 ** | 100 | 98.5 ** | 78 | 66.1 ** |
| Nashville* | 155 | 132.0 ** | 74 | 128.9 ** | 81 | 135.0 |
| Navajo* | 499 | 111.8 ** | 224 | 95.1 ** | 275 | 127.7 |
| Oklahoma | 906 | 118.9 ** | 489 | 133.0 ** | 417 | 105.4 ** |
| Phoenix* | 237 | 101.6 ** | 111 | 95.3 ** | 126 | 107.7 ** |
| Portland | 314 | 118.4 ** | 154 | 114.1 ** | 160 | 122.6 |
| Tucson* | 51 | 103.3 ** | 27 | 98.7 ** | 24 | 107.8 ** |

¹ Rate per 100,000 per year adjusted to the 1970 U.S. population. Rates based on small numbers of deaths should be interpreted with caution.

² The 3 IHS Areas without an asterisk (California, Oklahoma, Portland) appear to have a problem with underreporting Indian race on death certificates. Therefore a separate IHS total (9 IHS Areas) is presented excluding these 3 Areas.

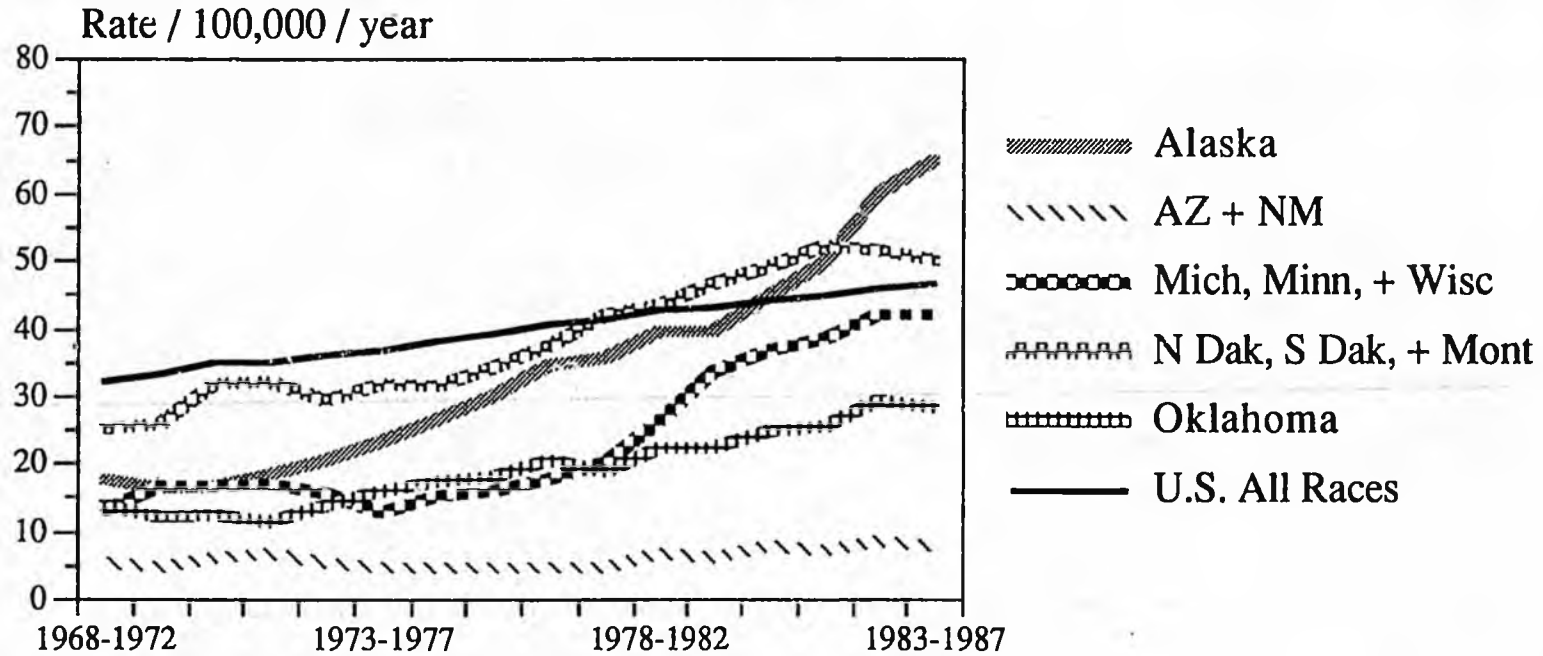
** Denotes a rate significantly different from the U.S. rate.

Table 4 lists the total number of deaths due to all cancers from 1984 to 1988, and the age-adjusted rate per 100,000 population per year by IHS Area, for both sexes combined, males, and females.

Table 4

FIGURE 2

Age-Adjusted Lung Cancer Mortality Rates, Native Americans in Selected States Compared to U.S. All Races, Both Sexes, 1968-1987



Rates, presented in 5-year moving averages, were determined using mid-point population estimates for each 5-year time interval and were adjusted to the 1970 US standard population.

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White, Lawrence: *Merchants of Death: The American Tobacco Industry*. New York, Beech Tree Books, 1988.



Smoke Screens: Why You Should Limit Smoking In The Workplace

Since the early 1980s, smoking has become less and less acceptable in public places. Today, nearly one-third of American companies have either banned or limited smoking in the workplace.

Following are some good reasons to implement a no-smoking policy in your company:

1. Reduced illness and death rates among smokers. Smoking accounts for more than one in six deaths in the U.S. today. Smokers are nearly three times more likely to suffer a stroke, the third leading cause of death in the U.S. Smokers are more than 1,000 times more likely to die of lung cancer than non-smokers. And they are 200 percent more likely to die of heart

These statistics are bad news not only for smokers, but for their employers as well. Smoking causes 80 million lost work days a year, which costs employers between \$300 and \$6,000 a year per smoker. The Office of Technology Assessment determined that smoking cost employers \$38 to \$95 billion a year in the form of lost productivity and health care costs.

Smoking makes a big difference in your group medical insurance rates. If you have a workforce that's predominantly composed of smokers, your claims experience will probably be much worse than that of a similar company whose workers don't smoke. Bad claims experience lead to higher group insurance premiums.

2. Reduced illness rates among non-smokers. There's been a lot of publicity lately about the dangers of "second-hand smoke" Unfortunately, these dangers aren't exaggerated. Non-smokers may actually be exposed to twice as much tar and nicotine as smokers, since "environmental" smoke, or the combination of smoke from burning tobacco and exhaled smoke, contains twice as much of these dangerous chemicals as inhaled smoke.

Environmental smoke irritates the eyes, nose, and throat. It may also raise blood pressure and heart-beat and contribute to such diseases as lung and throat cancer, emphysema, bronchitis, and stroke. In addition, employees who are exposed to combustible or

experience increased illness and disease when environmental smoke is also present.

3. Improved morale. Because smoking is so irritating to many non-smokers, production may actually suffer in smoky conditions.

4. Reduced accident rates. Employees who smoke have twice as many job-related accidents as non-smokers. Perhaps the act of smoking distracts smokers from their jobs.

5. Improved safety. Carelessly disposed cigarettes or falling ashes often trigger fires or property damages, such as burnt carpeting.



Anne Lanier, M.D., M.P.H.
Alaska Area Native Health Service
Epidemiologist

Alaska Area has the highest cancer mortality rates in IHS

Lung cancer is caused by cigarette smoking and, therefore, preventable.

Also, lung cancer is almost always at an advanced stage when diagnosed and few patients can be treated and cured.

In addition to Alaska, three other northern IHS areas (Billings, Aberdeen, and Bemidji) have high cancer rates and again primarily because of the lung cancer problem.

Examination of trends in lung cancer over twenty years (see Figure 2) show rates for lung cancer rising rapidly, particularly in women.

Cancer death rates, largely due to the patterns in lung cancer, can be predicted to continue to get worse in the Alaska Area in the foreseeable future.

The full cancer report has been mailed to all regional health directors. If you have any questions or wish additional copies, please contact:

Anne P. Lanier, M.D., M.P.H.
Alaska Area Native Health Service
Office of Community Health Services
250 Gambell Street
Anchorage, AK 99501

907/257-1819
FTS 868-1819
FAX 257-1835

Cancer mortality rates in the Alaska Area Native Health Service are now higher than all other Indian Health Service areas and now exceed those of the general United States population.

Alaska's ranking as Number One is of great concern, but particularly remarkable since as recently as 30 to 40 years ago, it was commonly thought that cancer occurred rarely in indigenous northern populations.

Evidence of this new epidemic is well documented in a report released by Martin J. Kleeen, M.D., Director, Cancer Prevention and Control, IHS Headquarters West, Albuquerque, New Mexico.

The data were analyzed and compiled primarily by Sarah Valway, D.V.D., MPH, utilizing 1984-88 death certificates for American Indians/Alaska Natives in all twelve IHS areas and for 1968-77 in five areas to examine trends over time.

For all cancers in men and women, death rates for Alaska Natives are the highest of all IHS areas and exceed the U. S. average (Figure 1).

Lung cancer is the leading cause of cancer death in men and women. This fact is particularly tragic since

HB 44

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 26, 1991

FURTHER REFERRALS:

Date of Committee Action: 5/14/91

The FINANCE Committee considered:

HB 4

HOUSE BILL NO. 4

LEGISLATIVE ETHICS ACT

"An Act establishing a legislative ethics commission and standards of conduct for legislators, candidates for the legislature, legislative employees, former legislators and employees, and lobbyists; requiring financial disclosures by legislators, candidates for the legislature, and certain legislative employees; amending legislators' compensation and allowances; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 4 (FIN) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

2 fiscal impact APOC and Leg AF. Agency

fiscal note(s) _____

1 zero fiscal note Dept. of law

zero fiscal note(s) _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | DNP | NR | AM |
|-----------------------------|-------------------------------------|-----------------------------|-----|-------------------------------------|----|
| <u>Kay Brown</u> BROWN | <input checked="" type="checkbox"/> | <u>Mike Navarre</u> NAVARRE | | <input checked="" type="checkbox"/> | |
| <u>Mark Boyer</u> KOPONEN | <input checked="" type="checkbox"/> | <u>Mark Boyer</u> BOYER | | <input checked="" type="checkbox"/> | |
| <u>Frank Larson</u> LARSON | <input checked="" type="checkbox"/> | <u>Frank Larson</u> LARSON | | <input checked="" type="checkbox"/> | |
| <u>A. Ulmer</u> ULMER | <input checked="" type="checkbox"/> | <u>Bert Sharp</u> SHARP | | <input checked="" type="checkbox"/> | |
| <u>K. Phillips</u> PHILLIPS | <input checked="" type="checkbox"/> | <u>Gary Jacko</u> JACKO | | <input checked="" type="checkbox"/> | |
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Mike Navarre NAVARRE
 CO CHAIRMAN'S SIGNATURE

CS HB4 FISCAL NARRATIVE

This bill establishes new financial disclosure requirements for legislators, candidates for the legislature and legislative directors.

The Commission is requesting funds to prepare for implementation of these new requirements and for on-going administration. A paralegal position (Range 16) is requested for the first year only to develop forms, manuals, and instructional material and prepare proposed regulation changes for Commission adoption. A modest sum of \$1,000 is requested to supplement manual costs to accommodate the separate disclosure requirements for legislators, candidates and directors.

A documents examiner (Range 13) is proposed to administer the program on an on-going basis. This would include providing compliance, assisting interpretations of the law, review of statements and assistance with complaint investigations.

The Commission anticipates that potential complaints could include allegations that a legislator or candidate did not reveal complete or accurate information about an income source with a substantial interest in legislative, administration or political action. The Commission anticipates that one complaint annually could proceed to public hearing before the Commission as required under the Administrative Procedures Act. Funds are requested to absorb the additional expense.

A detailed breakdown of the costs associated with administration and enforcement of this bill is attached.

CS HB4
Estimated Costs

Personnel:

| | |
|------------------------------|----------------------------|
| * Paralegal Range 16A | \$35,343 |
| Documents Examiner Range 12A | \$28,854 (starting 1/1/92) |

Benefits: \$14,931

30% of base salaries (includes insurance)

Contractual Services:

Manuals/Forms \$ 1,000

** Legal Fees \$10,000
Hearings, Witness Fees, Subpoenas, Transcripts.

- * Funding for paralegal position required for FY92 only.
- ** Complaint investigation funds will be necessary after FY92.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: CSHB 4 (JUD)

Revision Date: _____
Title: "An Act establishing a legislative ethics commission... for legislators...employees..."
Sponsor: House Judiciary
Requestor: House Finance

Department Affected: Legislative Affairs Agency
BRU: Legislative Council
Component: Legislators' Salaries & Allow. Council & Subcommittees & Legal Svcs.
_COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| PERSONAL SERVICES | 48.9 | 48.9 | 48.9 | 48.9 | 48.9 | 48.9 |
| TRAVEL | 130.4 | 130.4 | 130.4 | 130.4 | 130.4 | 130.4 |
| CONTRACTUAL | 223.6 | 223.6 | 223.6 | 223.6 | 223.6 | 223.6 |
| SUPPLIES | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| EQUIPMENT | 20.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 426.4 | 405.9 | 405.9 | 405.9 | 405.9 | 405.9 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GENERAL FUND | 426.4 | 405.9 | 405.9 | 405.9 | 405.9 | 405.9 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 426.4 | 405.9 | 405.9 | 405.9 | 405.9 | 405.9 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 2 | 2 | 2 | 2 | 2 | 2 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

see attached 2 pages.

Prepared By: Pamela A. Stoops, Director
Division: Administrative Services

Pamela A. Stoops

Phone: 465-3850
Date: 5/3/91

Approved By: Warren W. Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren W. Endicott

Date: 5/3/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION OF FISCAL NOTE: CSHB 4 (JUD)

This fiscal note reflects changes in requested funding for Legislators' Salaries & Allowances, Legal Services and Ethics funding in the Council & Subcommittees component. FY 92 budget request of \$3,716,000 for Legislators' Salaries & Allowances is in addition to the requested figures in this fiscal note.

PERSONAL SERVICES

1. Staff is requested as follows to assist the Legislative Ethics Commission:

| | | | |
|---------------------------------|---------------------------|-----------------|--------------|
| Executive Director - Range 24A | | | |
| | \$5,084 x 12 months = | \$61,008 | |
| | \$61,008 x 35% benefits = | \$21,585 | |
| | | <u>\$82,593</u> | 82.6 |
| Executive Secretary - Range 15A | | | |
| | \$2,745 x 12 months = | \$32,940 | |
| | \$32,940 x 42% benefits = | \$13,987 | |
| | | <u>\$46,927</u> | 46.9 |
| | | | <u>129.5</u> |

The elimination of the House and Senate Ethics Committees will no longer require an attorney position from the Legal Services Division. -80.6

TRAVEL

2. It is anticipated there will be 6 meetings of the Legislative Ethics Commission.

| | | | |
|--|----------------------------|-----------------|------|
| 6 meetings x 7 members at 3 days each | | | |
| airfare - 6 meetings x 7 members = 42 airfares | | | |
| | 42 airfares x \$436 = | \$18,312 | |
| per diem - 6 meetings x 7 members = 42 | | | |
| | 42 x 3 days per diem = 126 | | |
| | 126 x \$95 = | \$11,970 | |
| | | <u>\$30,282</u> | 30.3 |

3. Legislative Ethics Commission staff travel - travel for Executive Director and staff to Legislative Ethics Commission meetings and other related travel - \$10,000. 10.0

4. A new subsection is added to reimburse a member of the Legislature for up to two round trip tickets from Juneau to a city in the district from which the legislator was elected during each regular session of the Legislature.

| | | | |
|---|-------------------------------|-------------|------|
| 2 trips each session | | | |
| Coach travel for 57 legislators | | | |
| | \$28,789 x 2 trips = \$57,578 | | 57.6 |
| Per Diem - 3 days x 57 legislators x \$95/day = \$16,245/trip | | | |
| | 2 trips x \$16,245 = \$32,490 | 32.5 | |
| | | <u>90.1</u> | 90.1 |

A reduction in the cost of two trips home could be realized if the wording of section 10 was changed. As it is now these two trips home are not for committee, subcommittee or other official business of the legislature.

CONTINUATION OF FISCAL NOTE: CSHB 4 (STA)

CONTRACTUAL

5. Professional services for contracts to investigate compliance with the Legislative Ethics Act of 1991 with outside investigators, attorneys, additional staff, etc. Training services for orientation education courses, etc. - \$30,000. 30.0
6. Lease office space funding
1,000 sq. ft x \$2.00 sq. ft = \$2,000 \$2,000 x 12 months = \$24,000 24.0
7. Preparation & publication of the Legislative Ethics Education Manual; development and dissemination of training materials - \$15,000. 15.0
8. Phones and postage - \$800 a month x 12 months = \$9,600. 9.6
9. Elimination of funding of the House and Senate Ethics Committees - \$50,000. -50.0
10. Section 9 increases the legislative office allowance from \$4,000 to \$6,000 annually - an increase of \$2,000 is calculated for each legislator - \$2,000 x 60 = \$120,000. 120.0
11. Section 10 addresses reimbursement of supplemental office expenses. The fiscal impact of this section could vary from approximately \$100,000 - \$600,000 depending on newsletters & allowable office expenses authorized by Legislative Council.
12. Section 13 provides for defense of Legislators and legislative employees - the following is an estimated amount in case of possible litigation - \$75,000. If this amount was not sufficient a supplemental request would be submitted. 75.0

SUPPLIES

13. Office Supplies - paper, stationery, etc. - \$3,000. 3.0

EQUIPMENT

14. 3 desks, 2 filing cabinets, bookcases, 3 chairs, 3 computers, 1 laser printer, phone system, etc. Misc. equipment to furnish Legislative Ethics Commission staff office - \$20,500. 20.5

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Jo. 1
Bill Version: CSHB 4(JUD)
(H) Publish Date: _____

Revision Date: _____ Department Affected: Department of Law
Title: "An Act establishing a legislative ethics commission..." BRU: Prosecution/Legal Services
Sponsor: Representative Finkelstein Component: Prosecution/Criminal Justice Litigation: Legal Services/Operations
Requestor: House State Affairs COMPONENT SERIAL NO.

| | | | |
|--|--|---|---|
| | | 8 | 9 |
| | | 9 | 3 |

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

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

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | -0- | -0- | -0- | -0- | -0- | -0- |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Prepared By: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Date: February 13, 1991
 Approved by Commissioner: Charles E. Cole, Attorney General
 Agency: Department of Law Date: February 13, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 4

House Bill No. 4 establishes a comprehensive statutory framework to govern the conduct of legislators and employees of the legislature. Implementation and administration of the proposed Act, known as the Legislative Ethics Act of 1991, would be the responsibility of the Legislative Ethics Commission, which would be established in the legislative branch of government.

Although the bill contains numerous provisions that carry criminal penalties, it is not anticipated that these provisions will cause a fiscal impact for the Department of Law. First, the ethics commission will also be responsible for providing education and training programs for legislators, legislative employees, and lobbyists to prevent unethical conduct. Second, past criminal violations in this area have been rare, and therefore the proposed Act would not require additional prosecution resources.

Only one part of the Act assigns new duties to the attorney general and this part, proposed AS 24.61.575, gives the attorney general the discretionary power to independently bring civil or criminal actions relating to ethics violations, regardless of the outcome or settlement of a charge before the ethics commission. Because of the broad authority given to the commission to regulate ethical conduct, the attorney general's intervention in this arena should be infrequent.

CS FOR HOUSE BILL NO. 4 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FINKELSTEIN, Ellis, Kubina, Bruckman, Grussendorf, Carney, B.Davis,
Parnell, Gruenberg

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to current and former legislators and legislative employees, and candidates
2 for the legislature; establishing a legislative ethics commission; and providing for an
3 effective date."

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

5 * Section 1. SHORT TITLE. This Act may be known as the Legislative Ethics Act of 1991.

6 * Sec. 2. AS 24 is amended by adding a new chapter to read:

7 CHAPTER 61. LEGISLATIVE ETHICS.

8 ARTICLE 1. PURPOSE.

9 Sec. 24.61.010. PURPOSE. This chapter is enacted to

10 (1) assure the integrity of representative government and sustain the confidence
11 and trust of the people of this state in their representatives, the legislature as a whole, and the
12 legislative process;

13 (2) provide a comprehensive and unified statement of the ethical principles,
14 considerations, and obligations inherent in the public trust theory of government service and

L

1 establish specific standards of conduct to ensure that those entrusted with public authority avoid
2 conduct that might undermine the people's respect for the legislature; and

3 (3) establish a positive, effective, and comprehensive ethics program that is clear,
4 practical, and fair.

5 ARTICLE 2. STANDARDS OF CONDUCT.

6 Sec. 24.61.100. IMPROPER BENEFIT FROM PERFORMANCE OF PUBLIC DUTIES.

7 A legislator or legislative employee may not solicit, agree to accept, or accept a benefit other
8 than official compensation for the performance of public duties. This subsection may not be
9 construed to prohibit lawful solicitation for and acceptance of campaign contributions or the
10 acceptance of a lawful gratuity under AS 24.61.210.

11 Sec. 24.61.110. MISUSE OF STATE PROPERTY AND RESOURCES FOR PRIVATE
12 BENEFIT. (a) A legislator or legislative employee may not use public funds, facilities,
13 equipment, services, or another government asset or resource for a nongovernmental purpose or
14 for the private benefit of either the legislator, legislative employee, or another person. This
15 subsection does not prohibit

16 (1) limited use of state property and resources for personal purposes if the use
17 does not interfere with the performance of public duties, the cost or value related to the use is
18 nominal, and the use does not create the appearance of impropriety;

19 (2) the use of mailing lists, computer data, or other information lawfully obtained
20 from a government agency and available to the general public for nongovernmental purposes; or

21 (3) telephone or other communications that do not carry a special charge.

22 (b) A legislator or legislative employee may not knowingly seek, accept, use, allocate,
23 grant, or award public funds for a purpose other than that approved by law, or make a false
24 statement in connection with a claim, request, or application for compensation, reimbursement,
25 or travel allowances from public funds.

26 (c) A legislator or legislative employee may not require at any time or authorize on
27 government time a legislative employee to perform personal services or assist in a private activity
28 on government time except in unusual or infrequent situations where the person's service is
29 reasonably necessary to permit the legislator or legislative employee to perform official duties.

30 Sec. 24.61.120. MISUSE OF STATE PROPERTY AND RESOURCES FOR POLITICAL
31 PURPOSES. (a) A legislator or legislative employee may not use or authorize the use of state

1 funds, facilities, equipment, services, or another government asset or resource for the purpose of
2 political fund raising or campaigning. This subsection does not prohibit

3 (1) limited use of state property and resources for personal purposes if the use
4 does not interfere with the performance of public duties, the cost or value related to the use is
5 nominal, and the use does not create the appearance of impropriety;

6 (2) the use of mailing lists, computer data, or other public information lawfully
7 obtained from a government agency and available to the general public for nongovernmental
8 purposes; or

9 (3) telephone or other communications that do not carry a special charge.

10 (b) A legislative employee may not on government time assist in political party or
11 candidate activities, campaigning, or fund raising. A legislator may not require an employee to
12 perform an act in violation of this subsection.

13 (c) Unless superseded by policies relating to the use of government resources for political
14 purposes developed by the legislative council under AS 24.61.512 and adopted by the
15 commission as regulations under AS 24.61.510, the following prohibitions apply:

16 (1) a legislator may not use or authorize the use of state funds, property,
17 personnel, or other resources to produce, print, photocopy, publish, broadcast, or otherwise
18 disseminate material primarily intended to influence an election; this provision applies to
19 newsletters and other constituent correspondence that by their nature, content, timing, or use are
20 primarily intended to influence an election, even if the materials do not make a specific reference
21 to the election, but does not apply to newsletters and other constituent correspondence that
22 express the legislator's opinions or views on issues of public interest or on ballot measures that
23 are before the legislature or before the electorate, or that describe the legislator's votes, legislative
24 proposals, or other legislative action;

25 (2) unless approved by the commission, state funds, other than funds to which a
26 legislator is entitled as an office allowance, may not be used to print or distribute a mass mailing
27 from or about a legislator who is a candidate for reelection to the legislature or another state
28 office during the period beginning 30 days before the primary election in which the legislator is
29 a candidate, and ending the day after a general or special election in which the legislator is a
30 candidate; and

31 (3) a legislator, or another person on behalf of the legislator, or a campaign

1 committee of the legislator, may not distribute or post literature, placards, posters, or other
2 communications intended to influence the election of a candidate in an election in public areas
3 in a facility ordinarily used to conduct state government business.

4 Sec. 24.61.140. COERCION. (a) A legislator may not, directly or by authorizing
5 another to act on the legislator's behalf, state or imply that the legislator's consideration of an
6 issue, cause, or piece of legislation, or the legislator's willingness to meet with a person, is
7 dependent on the person making a campaign contribution, donating to a cause favored by the
8 legislator, or providing a thing of value to the legislator.

9 (b) A legislator may not directly, or by authorizing another to act on the legislator's
10 behalf,

11 (1) agree to, or threaten to take or withhold a legislative, administrative, or
12 political action, including but not limited to support or opposition to a bill, employment,
13 nominations, and appointments, as a result of a person's decision to provide or not provide a
14 political contribution;

15 (2) state or imply that the legislator will perform or refrain from performing a
16 lawful constituent service as a result of a person's decision to provide or not provide a political
17 contribution.

18 Sec. 24.61.150. NEPOTISM. (a) A member of the immediate family of a legislator may
19 not be employed for compensation

20 (1) in the house of which the legislator is a member during the legislative session:

21 (2) in either house in the interim between legislative sessions;

22 (3) by an agency of the legislature established under AS 24.20; or

23 (4) by the commission, whether for compensation or not.

24 (b) A member of the immediate family of a legislative employee may not be employed
25 for compensation in a position over which the employee has supervisory authority.

26 (c) In cases where a member of the immediate family of a legislator or legislative
27 employee is uniquely qualified to perform a task, or another extraordinary circumstance exists
28 under which it would be in the state's interest to waive the limitation of this section, a waiver
29 of a provision of this section may be sought under AS 24.61.530.

30 (d) A person who employs or causes the employment of another person in violation of
31 this section is subject to civil sanctions under AS 24.61.560(a).

1 (e) In this section, "interim between legislative sessions" means the period
2 beginning on the eighth day after the legislature adjourns from a regular session and
3 ending eight days before the date that the legislature shall convene under AS 24.05.090.

4 Sec. 24.61.170. BOARD MEMBERSHIPS AND OTHER PUBLIC OFFICES. (a) A
5 legislative assistant may not serve in a position that requires confirmation by the legislature. A
6 legislator or legislative assistant may serve on a board of an organization, including a
7 governmental entity, that regularly has a substantial interest in the legislative activities of the
8 assistant, if the legislator or assistant discloses the board membership to the commission.

9 (b) In extraordinary situations where the criteria for an exemption exists, a legislator or
10 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

11 Sec. 24.61.180. RESTRICTIONS ON ACTIONS. (a) Unless required by the Uniform
12 Rules of the Alaska State Legislature, a legislator or legislative employee may not participate in
13 legislative, administrative, or political action if the legislator or legislative employee has an equity
14 or ownership interest in a business, investment, real property, lease, or other enterprise if the
15 interest is substantial and the effect of the action on that interest is greater than the effect on a
16 substantial class of persons to which the legislator or legislative employee belongs as a member
17 of a profession, occupation, industry, or region.

18 (b) In extraordinary situations where the criteria for an exemption exists, a legislator or
19 legislative employee may seek a waiver of the provisions of this section under AS 24.61.530.

20 Sec. 24.61.190. RESTRICTED ACTIVITIES AS AN ATTORNEY OR
21 REPRESENTATIVE. (a) A legislator or legislative assistant may not for compensation
22 represent, as an advocate, advisor, or consultant, a person before an agency, board, or
23 commission of the state, unless the agency, board, or commission is acting quasi-judicially. This
24 provision does not prohibit an attorney from representing a client in a judicial action or prevent
25 a legislator or legislative assistant from representing personal interests. This subsection may not
26 be construed to permit compensated representation for purposes of obtaining or retaining a state
27 or local license, permit, franchise, grant, loan, or other benefit, unless the granting of the benefit
28 requires little discretion.

29 (b) This section may not be construed to prohibit a legislator or legislative assistant from
30 advising a person about the procedures or appropriateness of bringing an action against the state
31 or a local government. If a legislator or legislative assistant in an otherwise proper manner

1 advises a person in an action against the state or a local government or before a state or local
2 government agency, the legislator or legislative assistant may not reveal confidential information.

3 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
4 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

5 Sec. 24.61.200. RESTRICTED TRANSACTIONS: INTEREST IN STATE
6 CONTRACTS OR LEASES. (a) A legislator, a legislative assistant, or a member of the
7 immediate family of a legislator may not be a party to, or have a financial interest in, a state
8 contract or lease unless the contract or lease is permitted under (b), (c), or (d) of this section.

9 (b) A contract is permissible if the contract is let through competitive sealed bidding
10 under AS 36.30 (State Procurement Code) and, if the legislator or legislative assistant is a party
11 to or has a financial interest in the contract, the legislator or legislative assistant files a statement
12 with the commission before the contract is executed certifying under penalty of unsworn
13 falsification that the legislator or legislative assistant did not have (1) access to confidential
14 information that reasonably could provide an advantage; or (2) discussions or contacts with state
15 officials involved in letting the contract about the contract that could influence the decision. The
16 statement must also specify the nature of the legislator's or the legislative assistant's personal
17 interest, including the percentage or share of profits that will be realized. If the commission
18 requests additional information necessary to determine the propriety of the award of the contract,
19 it shall be promptly provided. If the commission believes the nature or circumstances of the
20 contract raise impermissible conflicts of interest, it may recommend that the contract be voided
21 or that restrictions be placed on the contractor. The statement filed by the legislator or legislative
22 assistant regarding the contract is a public record and shall be published in the journal of the
23 appropriate house.

24 (c) A contract or lease is permissible if the total amount of the contract or lease over the
25 course of a year is less than \$1,000, the legislator, legislative assistant, or family member does
26 not have contracts of less than \$1,000 that cumulatively total more than \$1,000, and the contract
27 or lease was let under circumstances that do not raise a substantial question of improper
28 influence.

29 (d) A contract or lease is permissible if it is a standardized contract or lease that was
30 developed under publicly adopted regulations or procedures and is generally available to the
31 public at large or to members of a profession, occupation, or group to which the legislator,

1 legislative assistant, or member of the legislator's or assistant's immediate family belongs.

2 (e) A legislator or legislative assistant may not receive anything of value to procure or
3 advocate for a contract with the state or a local government in the state.

4 Sec. 24.61.210. GIFTS. (a) A legislator or legislative employee may not solicit, accept,
5 or receive, directly or indirectly, a gift of a benefit in any amount if the legislator or legislative
6 employee knows or should reasonably know that it is offered with the intent to influence
7 legislative, administrative, or political action.

8 (b) Except as provided in this subsection, a legislator or legislative employee may not
9 solicit, accept, or receive, directly or indirectly, a gift of a benefit worth over \$50, or gifts of any
10 value from a lobbyist during a legislative session. The following benefits may be accepted as
11 gifts without regard to the restrictions of this subsection and need not be reported except as
12 specifically provided:

13 (1) hospitality with incidental transportation

14 (A) at the residence of a person; or

15 (B) at a social event or meal;

16 (2) discounts that are available generally to the public or to a large class of
17 persons to which the recipient belongs;

18 (3) food or foodstuffs indigenous to the state that are shared generally as a
19 cultural or social norm;

20 (4) travel and related food and lodging, primarily for the purpose of obtaining
21 information on matters of legislative concern; gifts under this paragraph with a value of more
22 than \$100 shall be reported to the commission;

23 (5) gifts from family members;

24 (6) gifts that are not connected with the recipient's legislative status;

25 (7) gifts of property, other than money, presented by a representative of a foreign
26 government if the recipient accepts the gift on behalf of the legislature; the recipient of a gift
27 under this paragraph with a value of more than \$100 shall, within 60 days of receipt, deliver the
28 gift to the legislative council for the purpose of displaying the gift in a public facility or selling
29 it at auction with the proceeds to go to the general fund;

30 (8) benefits received through state programs that are permissible under
31 AS 24.61.440.

1 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
2 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

3 Sec. 24.61.220. RESTRICTIONS ON EARNED INCOME: OUTSIDE EMPLOYMENT
4 AND HONORARIA; FORMER LEGISLATORS AND LEGISLATIVE ASSISTANTS. (a) A
5 legislator or legislative assistant may not

6 (1) seek or accept compensation for personal services that involves payments that
7 are not commensurate with the services rendered taking into account the higher rates generally
8 charged by specialists in a profession; or

9 (2) accept a payment of anything of value, except for actual and necessary travel
10 and lodging expenses, for an appearance or speech connected with the legislator's or legislative
11 assistant's legislative status; any payment for an appearance or speech not connected with the
12 legislator's or legislative assistant's legislative status must be disclosed to the commission; this
13 paragraph does not apply to the salary paid to a legislator or legislative assistant for making an
14 appearance or speech as part of the legislator's or legislative assistant's normal course of
15 employment.

16 (b) A legislator or legislative assistant may not receive compensation for personal
17 services from an entity of the state government other than the legislature except as specifically
18 provided in this chapter or approved by the commission. A legislator or legislative assistant is
19 not precluded by this subsection from earning compensation from a position at a state-funded
20 school or university, provided that improper influence was not used to obtain the position.

21 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
22 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

23 Sec. 24.61.235. RESTRICTIONS ON FUND RAISING. (a) A candidate for the
24 legislature, including an incumbent legislator, may not accept money from an event held within
25 the capital city during a session of the legislature if a substantial purpose of the event is to raise
26 money on behalf of the member for state campaign purposes or for other state legislative political
27 purposes.

28 (b) This section does not apply to a candidate, including an incumbent legislator, seeking
29 to represent the capital city.

30 Sec. 24.61.240. ACCOUNTABILITY: WHISTLE BLOWING, AND PROTECTION OF
31 WHISTLE BLOWERS. A legislator or legislative employee may not, directly or indirectly,

1 subject a person who reports to the commission or another government entity conduct the person
2 reasonably believes is a violation of this chapter or another state law, to reprisal, harassment, or
3 discrimination. A legislative employee who is discharged, disciplined, involuntarily transferred,
4 or otherwise penalized by a legislator or another legislative employee in violation of this
5 subsection may

6 (1) bring a complaint before the commission; and

7 (2) bring a separate civil action in the courts seeking damages, payment of back
8 wages, reinstatement, or other relief.

9 Sec. 24.61.250. ACCOUNTABILITY: OPENNESS AND OVERSIGHT. Legislators
10 shall abide by AS 44.62.310 - 44.62.312 (open meetings law).

11 Sec. 24.61.260. DISCRIMINATION PROHIBITED. A legislator or legislative employee
12 may not engage in acts of discrimination in violation of AS 18.80.220.

13 Sec. 24.61.270. PENALTIES. (a) A person who violates a provision of AS 24.61.100 -
14 24.61.260, or a regulation adopted under AS 24.61.100 - 24.61.260, is subject to civil sanctions
15 under AS 24.61.560(a).

16 (b) A person covered by this chapter who violates another law of the state with criminal
17 penalties is subject to prosecution under that law in addition to civil or criminal penalties
18 provided in this chapter.

19 ARTICLE 3. LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS.

20 Sec. 24.61.350. LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS. (a) A
21 legislator or legislative employee may establish a fund to assist with the payment of attorney fees
22 and other costs arising from the legislator's or employee's defense of a civil, criminal, or
23 administrative action brought against the legislator or employee and directly related to acts or
24 omissions of the legislator or employee while acting as a legislator or employee or while
25 campaigning for elective office, or from the prosecution or defense of an administrative or
26 judicial action concerning a contested election in which the legislator or employee is a candidate.
27 Contributions to a fund under this section are not subject to the restrictions of AS 24.61.210.

28 (b) A legislator or legislative employee may establish a fund under this section before
29 litigation is actually commenced by or against the legislator or employee.

30 (c) The commission shall adopt regulations relating to the methods of establishing a fund
31 under this section, the accounting requirements for a fund, the uses for which moneys from the

1 fund may be expended, the disposition of surplus moneys in the fund, and establishing a
2 maximum amount that a person may contribute to a fund. A person who violates these
3 regulations is subject to civil sanctions under AS 24.61.560(a).

4 ARTICLE 4. REQUIRED DISCLOSURE.

5 Sec. 24.61.400. FINANCIAL DISCLOSURE BY LEGISLATORS, LEGISLATIVE
6 DIRECTORS, AND CANDIDATES FOR THE LEGISLATURE. A legislator, a candidate for
7 the legislature, and a legislative director shall file a disclosure statement, under oath and on
8 penalty of perjury, with the Alaska Public Offices Commission giving the following information
9 about the income received by them, their spouses, their dependent children, and their
10 nondependent children who are living with them:

11 (1) the information that a public official is required to report under AS 39.50.030,
12 except that sources of income other than gifts of \$1,000 or less and loans of \$1,000 or less need
13 not be reported;

14 (2) as to income in excess of \$1,000 received as compensation for personal
15 services, the name and address of the source of the income, and a statement describing the nature
16 of the services performed; if the source of income is known or reasonably should be known to
17 have a substantial interest in legislative, administrative, or political action and the recipient of
18 the income is a legislator, a candidate for the legislature, or a legislative director, the amount of
19 income received from the source shall be disclosed;

20 (3) as to each loan or loan guarantee over \$1,000 from a source with a substantial
21 interest in legislative, administrative, or political action, the name and address of the person
22 making the loan or guarantee, the amount of the loan, the terms and conditions under which the
23 loan or guarantee was given, the amount outstanding at the time of filing, and whether or not a
24 written loan agreement exists;

25 (4) gifts with a value of \$100 or more.

26 Sec. 24.61.410. DEADLINES FOR FILING OF DISCLOSURE STATEMENTS. A
27 legislator and a legislative director shall file an annual report with the Alaska Public Offices
28 Commission, covering the previous calendar year, containing the disclosures required by
29 AS 24.61.400, on or before April 15 of each year. A candidate for the legislature, including an
30 incumbent legislator, shall file a report with the Alaska Public Offices Commission containing
31 the disclosures required by AS 24.61.400 at the time required under AS 15.25.030 or 15.25.180,

1 except that a candidate who has filed an annual report under this section is not required to file
2 a second report for the same calendar year.

3 Sec. 24.61.420. ADMINISTRATION OF AS 24.61.400 - 24.61.426. The Alaska Public
4 Offices Commission shall

5 (1) adopt regulations to implement and interpret the provisions of AS 24.61.400 -
6 24.61.426 and 24.61.450;

7 (2) prepare standardized forms on which the statements required by AS 24.61.400
8 shall be filed; and

9 (3) examine, investigate, and compare all reports and statements required under
10 AS 24.61.400, and report all possible violations of this chapter it discovers to the commission.

11 Sec. 24.61.422. STATEMENTS AS PUBLIC RECORDS. A statement filed with the
12 Alaska Public Offices Commission under AS 24.61.400 is a public record. A person is not
13 required to comply with AS 24.61.400 to the extent that a court of competent jurisdiction of the
14 state determines that legally privileged professional relationships or constitutional privacy
15 considerations would be violated by compliance.

16 Sec. 24.61.424. CIVIL PENALTY FOR LATE FILING. A legislator, a candidate for
17 the legislature, or a legislative director who fails to file a properly completed report under
18 AS 24.61.400 is subject to a civil penalty of not more than \$10 a day for each day the
19 delinquency continues as the Alaska Public Offices Commission determines, subject to appeal
20 to the superior court. An affidavit stating facts in mitigation may be submitted to the Alaska
21 Public Offices Commission by the person against whom the civil penalty is assessed. However,
22 the imposition of the penalties prescribed in this section does not excuse the person from filing
23 reports required by AS 24.61.400.

24 Sec. 24.61.426. REMOVAL FROM BALLOT. In addition to the sanctions described in
25 AS 24.61.450, if the Alaska Public Offices Commission finds that a candidate for the legislature,
26 including an incumbent legislator, has failed to file a report under AS 24.61.400 by a deadline
27 established in AS 24.61.410, or has filed a report that is substantially incomplete or misleading,
28 it shall notify the lieutenant governor. The lieutenant governor shall return the candidate's filing
29 fee, shall remove the candidate's name from the filing records, and may not place the candidate's
30 name on the ballot.

31 Sec. 24.61.430. DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS. (a) A

1 legislator or a legislative assistant who has a close economic association with a lobbyist shall
2 make a written disclosure of the association in confidence to the commission. The disclosure
3 shall be made by February 15 of each year. If a legislator or legislative assistant is not in office
4 or employed before February 15, or if the association did not exist before February 15, the
5 disclosure shall be made within 30 days after taking office or being employed or after the
6 creation of the association.

7 (b) The written disclosure must state the name of the persons involved, the nature of the
8 association, and a brief narrative of the matters the legislator or legislative assistant is working
9 on that could create an actual conflict of interest. If the commission requests additional
10 information necessary to determine whether the nature of the association creates a conflict of
11 interest, it shall be promptly provided.

12 (c) The commission shall make a determination as to whether the association creates a
13 conflict of interest that warrants restrictions or disclosure. After making the determination, the
14 commission may elect to

15 (1) keep the matter confidential;

16 (2) recommend some restriction in the activities; or

17 (3) order full or partial disclosure in the journal of the appropriate body.

18 Sec. 24.61.440. PARTICIPATION IN STATE PROGRAMS; REQUIRED
19 DISCLOSURES. (a) A legislator or legislative employee may, without disclosure to the
20 commission, participate in a statewide benefit program or receive a loan from the state if the
21 program or loan is generally available to members of the public, is subject to fair, objective
22 eligibility standards, and requires minimal discretion in determining qualification.

23 (b) The commission shall review annually state programs and state loans and publish a
24 list of programs and loans, designating which ones meet the standards of (a) of this section.

25 (c) A legislator or legislative employee who participates in a program or receives a loan
26 that is not exempt from disclosure under (a) of this section shall file a written report with the
27 commission by February 15 of each year stating the amounts of the loans outstanding or benefits
28 received during the preceding calendar year from nonqualifying programs. If the commission
29 requests additional information necessary to determine the propriety of participating in the
30 program or receiving the loan, it shall be promptly provided. The commission shall promptly
31 compile a list of the statements indicating the loans and programs and amounts and send it to the

1 presiding officer of each house who shall have it published in the supplemental journals within
2 three weeks of the filing date.

3 (d) If loan proceeds or other program benefits are received from nonqualifying programs
4 or loans after the end of a calendar year, the legislator or legislative employee shall file a
5 statement with the commission within 30 days after the beginning of participation in the state
6 program or receipt of proceeds from the state loan or by February 15, whichever is later. If the
7 commission receives the statement while the legislature is in session, it shall promptly forward
8 the statement to the chief clerk of the house or the secretary of the senate, as appropriate, who
9 shall cause it to be published in the supplemental journal. If the commission receives a statement
10 while the legislature is not in session, it shall forward the statement to the chief clerk of the
11 house or the secretary of the senate for publication when the legislature next convenes.

12 (e) If the commission determines that the nature and circumstances under which the
13 legislator or legislative employee received a state benefit or loan raises an appearance of
14 impropriety or was in fact the result of unfair or improper influence, the commission may initiate
15 a complaint or take other appropriate action. In addition, the commission shall refer the matter
16 to the attorney general for action under other civil or criminal laws.

17 (f) The commission shall annually recommend to the Legislative Budget and Audit
18 Committee the programs and loans to be audited by the division of legislative audit during the
19 following year, including the scope of the audit. The records of the relevant state agencies shall
20 be made available to the division of legislative audit. The division of legislative audit shall
21 prepare a report to the Legislative Budget and Audit Committee on its findings. The report is
22 confidential until it is released by the committee.

23 (g) In extraordinary situations where the criteria for an exemption exists, a legislator or
24 legislative employee may seek a waiver of the disclosure requirements of this section under
25 AS 24.61.530.

26 Sec. 24.61.450. PROHIBITED CONDUCT RELATING TO DISCLOSURES. (a) A
27 person required to make a disclosure under this chapter may not knowingly make a false or
28 deliberately misleading or incomplete disclosure to the commission or to the Alaska Public
29 Offices Commission, or file a disclosure after a deadline set by this chapter or by a regulation
30 adopted by the commission or by the Alaska Public Offices Commission.

31 (b) A person who violates this section is subject to civil sanctions under AS 24.61.560(a),

1 in addition to penalties that may be imposed by the Alaska Public Offices Commission under
2 AS 24.61.424 and to removal from the ballot under AS 24.61.426.

3 ARTICLE 5. LEGISLATIVE ETHICS COMMISSION.

4 Sec. 24.61.500. LEGISLATIVE ETHICS COMMISSION ESTABLISHED. (a) The
5 Legislative Ethics Commission is established in the legislative branch of government. The
6 commission consists of seven members, selected as follows:

7 (1) one member of the senate appointed jointly by the president of the senate and
8 the senate minority leader;

9 (2) one member of the house of representatives appointed jointly by the speaker
10 of the house and the house minority leader;

11 (3) two members appointed by the supreme court; and

12 (4) three members selected by majority vote of the members appointed under (1) -
13 (3) of this subsection.

14 (b) No more than one member appointed under (a)(3) and (4) of this section may be a
15 former legislator. No more than three members of the commission may be members of the same
16 political party.

17 (c) Commissioners described in (a)(1) and (2) of this section shall be appointed within
18 15 days of the commencement of the first regular session of each legislature and shall serve until
19 the commencement of the next legislature.

20 (d) Commissioners who are not legislators serve staggered terms of four years. A
21 nonlegislator commissioner is eligible for reappointment; however, a nonlegislator commissioner
22 may not serve more than two consecutive four-year terms. A nonlegislator commissioner whose
23 term has expired continues in office until a successor has been appointed and certified.

24 (e) A vacancy on the commission is filled in the same manner as the original
25 appointment to that seat on the commission. A vacancy shall be filled within 30 days after the
26 vacancy occurs.

27 (f) The commission shall elect a chair and a vice-chair, who serve a term of two years.
28 Neither the chair nor the vice-chair may be a legislator. An officer may not hold the same office
29 for more than two consecutive terms. The vice-chair shall act as chair in the absence of the
30 chair.

31 (g) Except as provided in (a)(1) or (2) of this section, a commissioner may not be a

1 legislator, a legislative employee, an elected or appointed official required to make conflict-of-
2 interest disclosures under AS 39.50, an officer of a political party, a candidate for public office,
3 or a registered lobbyist.

4 Sec. 24.61.502. LEGISLATIVE DECERTIFICATION OR REMOVAL FROM
5 COMMISSION. (a) Within 45 legislative days after appointment, a commissioner appointed
6 under AS 24.61.500(a)(3) or (4) may be decertified by a majority vote of each house of the
7 legislature, by concurrent resolution. If the legislature adjourns from a regular session less than
8 45 days after the appointment, the running of the 45-day period is tolled until the commencement
9 of the next regular session. If decertified, the commissioner is disqualified and that seat on the
10 commission is vacant.

11 (b) A commissioner may be removed from office by a vote of two-thirds of each house
12 of the legislature, by concurrent resolution, for good cause.

13 Sec. 24.61.504. MEETINGS; COMPENSATION. (a) The commission shall meet at the
14 call of the chair or a majority of the commissioners.

15 (b) Five commissioners constitute a quorum. A vote of the majority of the
16 commissioners appointed is required for official action of the commission.

17 (c) The commission may meet by teleconference.

18 (d) Commissioners shall serve without compensation but are entitled to per diem and
19 travel expenses authorized for boards and commissions under AS 39.20.180.

20 (e) The commission shall comply with AS 44.62.310 - 44.62.312 (open meetings law).

21 Sec. 24.61.506. EXECUTIVE DIRECTOR AND STAFF. (a) The commission shall hire
22 an executive director and determine the director's salary. The executive director serves at the
23 pleasure of the commission.

24 (b) The executive director may employ and determine the compensation of necessary
25 employees, subject to the budget approved by the commission. The executive director may,
26 subject to the approval of the commission, contract for services when those services are
27 temporary or specialized in nature, or it is in the best interest of the state.

28 (c) Subject to the approval of the commission, the executive director may employ or
29 contract with legal counsel to manage, direct, and prosecute cases under this chapter.

30 (d) If the commission determines that an investigation is necessary and that the
31 investigation cannot be efficiently, promptly, or adequately handled by commission staff, the

1 executive director shall nominate a special investigator to be appointed upon approval by the
2 commission. The executive director shall maintain a list of individuals qualified to serve as a
3 special investigator by virtue of their experience, reputation, likely availability, willingness to
4 serve, and freedom from conflicts of interest.

5 (e) The executive director and employees of the commission are in the exempt service
6 under AS 39.25.110.

7 Sec. 24.61.508. APPLICABILITY OF CHAPTER TO COMMISSIONERS AND
8 EMPLOYEES; OTHER RESTRICTIONS. (a) Commissioners who are not legislators, and
9 employees of the commission, including persons employed or under contract as legal counsel or
10 special investigators, are subject to this chapter and shall be held accountable to the same
11 standards and requirements, including disclosure, as legislative assistants.

12 (b) A commission employee, including a person who provides personal services under
13 a contract with the commission, may not be a legislator, a legislative employee, an elected or
14 appointed official of a state or local governmental entity, an officer of a political party, a
15 candidate for public office, or a registered lobbyist.

16 (c) In addition to the requirements of this chapter, a commissioner who is not a legislator,
17 an employee of the commission, or a person under contract to provide personal services to the
18 commission may not

19 (1) participate in political management or in a political campaign during the
20 person's term of office, employment, or contract;

21 (2) participate in the campaign of, attend campaign fund raising events for, or
22 make a financial contribution to

23 (A) a candidate for the legislature;

24 (B) an incumbent legislator or legislative employee who is a candidate for
25 another public office; or

26 (C) a person running for another office against an incumbent legislator or
27 legislative employee;

28 (3) participate in lobbying activities that would require the person to register as
29 a lobbyist except as required to inform the legislature concerning legislation requested by the
30 commission or other matters related to the commission; or

31 (4) take an action or make a statement that is likely to cause a reasonable person

1 to believe that the commissioner, employee, or other person is not impartial or independent or
2 is otherwise unable to properly perform public duties.

3 (d) A violation or alleged violation of (b) or (c) of this section shall be treated as any
4 other violation of this chapter and shall be dealt with by the commission accordingly. During
5 the pendency of a complaint against a commissioner, commission employee, or commission
6 contractor, the person complained against may not participate in official action of the
7 commission.

8 (e) Commissioners and the executive director are subject to the disclosure requirements
9 of this chapter.

10 Sec. 24.61.510. GENERAL POWERS AND DUTIES OF THE COMMISSION. (a) The
11 commission shall

12 (1) administer the provisions of this chapter, including the adoption of regulations
13 that the commission is required to adopt;

14 (2) authorize and train its staff to give informal or written advice regarding the
15 spirit and requirements of this chapter;

16 (3) on request or its own initiative, issue formal written advisory opinions on
17 specific situations or clarify a provision of this chapter;

18 (4) consider requests for, and grant or deny, exemptions from the provisions of
19 this chapter;

20 (5) investigate and adjudicate complaints and recommend disciplinary actions to
21 the legislature;

22 (6) carry out the educational programs that are required by this chapter and
23 additional programs it considers necessary to effectuate the policy and purposes of this chapter;

24 (7) prepare and distribute an ethics education manual for legislators, legislative
25 employees, and registered lobbyists;

26 (8) design and implement voluntary ethics education courses for legislators,
27 legislative employees, and registered lobbyists;

28 (9) mail by certified mail a copy of this chapter to a candidate for the legislature
29 upon the receipt of notice of the candidate's declaration of candidacy under AS 15.25.030 or
30 petition under AS 15.25.180;

31 (10) prepare a biennial report to the legislature summarizing its activities over the

1 previous two years, evaluating the effectiveness of this chapter in accomplishing its stated
2 purposes, and recommending legislative reforms it thinks necessary to improve the administration
3 of this chapter and to better advance its goals.

4 (b) The commission may

- 5 (1) adopt additional regulations to interpret and implement this chapter;
6 (2) perform the other acts, duties, and functions necessary to properly administer
7 this chapter, consistent with law and the purpose of this chapter.

8 (c) In adopting regulations under (a) and (b) of this section, the commission shall follow
9 procedures that are, to the extent practicable, consistent with AS 44.62 (Administrative Procedure
10 Act). The commission shall submit its adopted regulations to the legislative council. Regulations
11 adopted by the commission do not take effect until 60 days after submission.

12 Sec. 24.61.512. REGULATIONS CONCERNING USE OF PUBLIC RESOURCES. The
13 legislative council shall develop and recommend for adoption by the commission detailed
14 regulations relating to the use of government property, resources, and personnel.

15 Sec. 24.61.515. OFFICES; BUDGET. The legislative council shall provide suitable
16 office space and equipment for the commission. The commission shall submit a budget for each
17 fiscal year to the finance committees of the legislature and shall annually submit an estimated
18 budget to the governor for information purposes in preparation of the state operating budget.

19 Sec. 24.61.520. INFORMAL ADVICE. The commission shall authorize and train its
20 staff to give oral advice and provide a written informal nonbinding advice letter to persons
21 seeking guidance as to the spirit or legal requirements of this chapter, provided that the advice
22 is given with the express stipulations that

- 23 (1) the opinions given are not necessarily those of the commission;
24 (2) although the advice is given in good faith, the person seeking the advice relies
25 on it at the person's own risk; and
26 (3) the advice is not binding upon the commission.

27 Sec. 24.61.525. FORMAL BINDING ADVISORY OPINIONS. (a) The commission
28 may issue a formal written advisory opinion on its own initiative, on the request of a person to
29 whom this chapter applies, or on the request of a person elected to the legislature who at the time
30 of election is not a member of the legislature.

31 (b) Requests for written advisory opinions must be in writing and set out with reasonable

1 specificity the facts and circumstances of a real or hypothetical case.

2 (c) The commission shall expeditiously determine whether to issue an advisory opinion
3 addressing the issues raised.

4 (d) An opinion shall be issued by official action of the commission. The vote of each
5 commissioner participating in the opinion shall be indicated on the opinion and it shall be
6 forwarded to the person requesting it and made a part of the public records of the commission.

7 (e) Written formal advisory opinions issued by the commission are binding on the
8 commission in a subsequent proceeding concerning the facts and circumstances of the particular
9 case. If, however, any fact determined by the commission to be material was omitted or
10 misstated in the request, the commission is not bound by the opinion.

11 (f) The commission may review, withdraw, or elaborate on a previously issued advisory
12 opinion.

13 (g) Under normal circumstances, the commission shall issue its opinion within 30 days
14 of receiving the request, if the request is received during the first 100 days of the legislative
15 session, or within 60 days of the request if the request is received at another time. The period
16 for issuing an opinion may be shortened or extended by the chair when that action is considered
17 necessary or appropriate to meet the goals of this chapter.

18 (h) The commission and all commission employees shall keep confidential the identity
19 of the requester and all information conveyed orally or in writing relating to the request, unless
20 the requester authorizes the commission to make public the requester's identity or the information
21 conveyed.

22 (i) Advisory opinions issued by the commission are public records. If the requester of
23 the opinion has not waived confidentiality under (h) of this section, the advisory opinion shall
24 be written so that the identity of the requester cannot be ascertained.

25 Sec. 24.61.527. USE OF INFORMATION SUBMITTED WITH REQUEST FOR
26 ADVICE. The commission may not bring a complaint against a person based upon information
27 voluntarily given to the commission by the person in connection with a good faith request for
28 advice under AS 24.61.520 or 24.61.525, and may not use that information against the person
29 in a proceeding under AS 24.61.535 - 24.61.555. This subsection does not preclude the
30 commission from acting on a complaint concerning the subject of a person's request for advice
31 if the complaint is brought by another person, or if the complaint arises out of conduct taking

1 place after the advice is requested, and does not preclude the commission from using information
2 or evidence obtained from an independent source, even if that information or evidence was also
3 submitted with a request for advice.

4 Sec. 24.61.530. EXEMPTIONS PROCESS. (a) In situations in which principles of
5 fundamental fairness are best served by exempting certain individuals or acts from specified
6 provisions of this chapter, the commission may grant full or partial exemptions. The commission
7 shall provide a simple form for petitions for exemptions.

8 (b) The commission may grant an exemption upon a finding that the petitioner has shown
9 that the

10 (1) harm caused by strict application of this chapter substantially outweighs the
11 benefit of its enforcement in the particular situation;

12 (2) application of the regulation or provision under the circumstances presented
13 would be inconsistent with the spirit and purpose of the regulation or provision or of this chapter
14 as a whole; or

15 (3) purposes of this chapter and the public interest will be best served by granting
16 the applicant an exemption.

17 (c) The commission may request or permit the appearance of the petitioner before the
18 commission, in person or by teleconference, and hold hearings regarding the exemption request.

19 (d) Unless a shortened or expanded time is considered necessary or appropriate by the
20 commission, decisions on petitions for exemptions shall be made within 30 days after filing of
21 the petition. Unless the petitioner consents, extensions of time ordered by the commission may
22 not exceed an additional 60 days.

23 Sec. 24.61.535. INITIATING INVESTIGATORY AND ADJUDICATORY PROCESSES.

24 (a) A complaint alleging a violation of this chapter may be initiated by any person or by the
25 commission on its own motion. The commission shall provide a simple form for complaints.
26 A complaint must include

27 (1) the name and address of the complainant;

28 (2) a statement of the facts known or believed to be true that form the basis of
29 the complaint and the sources of the information, including the approximate dates of the acts
30 alleged and names and addresses of persons with personal knowledge of the facts alleged; and

31 (3) a certification that the complainant verifies under penalty of unsworn

1 falsification that the facts stated are true to the best of the complainant's knowledge and that the
2 complainant knows that it is a crime under AS 11.56.805 to intentionally initiate a false
3 complaint.

4 (b) Unless the chair of the commission concludes that immediate notification would
5 prejudice a preliminary investigation or subject the complainant to an unreasonable risk, a copy
6 of the complaint shall be sent to the person charged with misconduct within two working days.
7 If the matter is to be kept from the respondent for more than 10 days, a majority of the
8 commission must approve the delay in notification and establish the conditions under which the
9 respondent will be informed of the complaint.

10 (c) Until a preliminary finding on the validity of a complaint has been properly made,
11 the existence and substance of a complaint shall be kept confidential except that all members of
12 the commission and necessary staff may be informed about it.

13 (d) Upon receiving a complaint, commission staff shall review it for formal sufficiency
14 within five days of filing. If the complaint is unsigned or otherwise deficient on its face it shall
15 be returned to the complainant with a statement of the nature of the deficiency.

16 (e) Once a complaint has been determined to be formally sufficient, commission staff
17 shall evaluate the complaint and advise the chair as to its opinion as to whether it states a valid
18 complaint that should be investigated. If the executive director is a member of the bar, the
19 executive director may provide the advice. Otherwise, the executive director shall appoint a duly
20 qualified legal counsel to assist in making the determinations required under this subsection. To
21 be valid, the complaint must allege

22 (1) facts that, if true, establish a violation of a provision of this chapter for which
23 civil or administrative sanctions are authorized;

24 (2) that the conduct providing the basis of the complaint has occurred

25 (A) within five years of the complaint; or

26 (B) if the person charged with misconduct intentionally concealed or
27 otherwise sought to prevent discovery of the relevant facts, within one year of the
28 discovery of the relevant facts and within eight years of the complaint; and

29 (3) that the person charged with misconduct is a legislator or legislative employee
30 at the time of the filing of the complaint.

31 (f) Within 20 days after the filing of the complaint, or within 45 days if the chair of the

1 commission certifies additional time is required, a determination shall be made on the facial
2 validity of the complaint. If the chair concludes that there is no substantial reason to question
3 the opinion of staff as to the facial validity of a complaint, the complaint shall either be
4 dismissed or certified for further consideration in accordance with the opinion. The chair or a
5 commissioner, however, may request a hearing on the facial validity of the complaint at a
6 meeting of the commission.

7 (g) If a complaint is dismissed because of facial invalidity, it shall be returned to the
8 complainant with a notice of dismissal stating in detail the reason for dismissal. If the
9 commission finds that the complaint was frivolous, malicious, or was filed in bad faith, it shall
10 so state in the notice of dismissal. If the commission finds that the complaint alleges violations
11 outside the scope of this chapter, it shall so state and may forward the complaint to the
12 appropriate enforcement body for disposition. A copy of the notice of dismissal shall be sent to
13 the respondent. The notice of dismissal is a public record.

14 (h) If the commission concludes that some or all of the allegations of the complaint, if
15 proven, would constitute a violation of this chapter, or if the commission has initiated the
16 complaint, the complaint shall be certified and a factual investigation shall commence. The
17 record of certification for further consideration is confidential subject to subsequent actions that
18 may make it part of the public record.

19 Sec. 24.61.540. INVESTIGATIONS. (a) Investigation into ethics charges shall be
20 undertaken in a manner that assures the public of an impartial and comprehensive review, is fair
21 to the respondent, and that elicits the information the commission needs to make a decision.

22 (b) Before commencing an investigation, the commission shall adopt a written resolution
23 defining the scope of the investigation, a copy of which shall be supplied to both the complainant
24 and respondent. If, during the investigation, additional facts are discovered that justify an
25 expansion of the investigation and the possibility of additional charges beyond those alleged in
26 the complaint, the resolution shall be amended accordingly with copies sent to respondent. The
27 resolution, and the fact that an investigation has been undertaken, shall be kept confidential by
28 the commission except that, upon inquiry, the commission may verify that it is investigating a
29 complaint along with a statement that no finding of probable cause has been made and that no
30 adverse inference of impropriety or guilt should be drawn from the decision to investigate.
31 Additional facts concerning the nature or results of the investigation may not be revealed except

1 as provided in AS 24.61.545 after a determination of probable cause has been made.

2 (c) A legislator or a legislative employee may request in writing that the commission
3 investigate charges of impropriety made against the legislator or legislative employee. The
4 request must state with specificity the nature of the investigation requested. If the commission
5 agrees to undertake an investigation, the investigation is not necessarily limited in scope by the
6 request and, once begun, it shall be handled as any other investigation, with the person requesting
7 the investigation formally treated as a respondent.

8 (d) An investigation is conducted by the commission staff, and if the commission
9 determines it is necessary, by outside counsel and investigators. The purpose of the investigation
10 is to determine whether there is probable cause to proceed with a full adjudicatory hearing.

11 (e) The person conducting the investigation may order a hearing and subpoena witnesses
12 and documents, conduct depositions under oath, require the participation of the respondent, and
13 issue interrogatories to be answered under oath. An oral or written statement, whether
14 incriminatory or exculpatory, may not be considered in the investigator's report unless made
15 under oath. The respondent shall be given an adequate opportunity to provide testimonial and
16 documentary evidence.

17 (f) Upon completion of the investigation, a confidential report summarizing the evidence,
18 evaluating its credibility, and detailing findings on each of the allegations investigated shall be
19 submitted to the commission, along with recommendations as to whether the complaint, or a
20 portion of it, should be dismissed or whether the matter should proceed to the full hearing stage.
21 The report shall be prepared so as to exclude unreliable information and uncorroborated and
22 irresponsible allegations. The investigator's notes, records of interviews, and other investigatory
23 matter considered unreliable or unduly prejudicial by the commission shall remain confidential.

24 Sec. 24.61.545. PROBABLE CAUSE DETERMINATION. (a) The commission shall
25 consider the investigator's report in closed session. It shall determine whether there is credible
26 evidence that would give a reasonable person probable cause to believe that a violation of a
27 provision of this chapter for which civil or administrative sanctions are authorized has occurred.

28 (b) If the commission does not find probable cause under (a) of this section, it shall
29 dismiss the complaint and so notify the complainant and respondent with a notice of dismissal,
30 stating in detail the reason for dismissal. If the commission finds that the charges were frivolous,
31 malicious, made in bad faith, or that, in its opinion the respondent should be exonerated of the

1 charges, it shall so state in the notice of dismissal. If the commission finds that the credible
2 evidence, though not giving rise to probable cause, does suggest the violation of other provisions
3 of law, it shall so state and may forward the complaint and its report to the appropriate
4 enforcement body for disposition.

5 (c) The notice of dismissal under (b) of this section and the investigator's report under
6 AS 24.61.540(f), but not the underlying investigatory materials, shall be made public unless the
7 commission determines that this would unfairly prejudice either the respondent or complainant.
8 This subsection may not be construed to prevent either the complainant or respondent from
9 making the notice of dismissal and the report public.

10 (d) If the commission finds probable cause under (a) of this section, it shall serve on the
11 respondent, in a manner consistent with the service of summons under the rules of civil
12 procedure, a formal charge stating the specific allegations and containing a proposed date for an
13 adjudicatory hearing under AS 24.61.550.

14 (e) The hearing may not be scheduled to commence sooner than 20 days after service
15 of the formal charge on the respondent. If the respondent requests an earlier hearing date, the
16 commission may, but is not required to, consent. The commission shall, upon request, grant the
17 respondent reasonable additional time to prepare a defense. The respondent may file a responsive
18 pleading admitting or denying the various allegations.

19 (f) The commission may suspend further proceedings if the respondent acknowledges the
20 violation and agrees to corrective actions and sanctions considered appropriate by the
21 commission. If the commission suspends the proceedings or dismisses the charges as a result
22 of a negotiated settlement, the terms and conditions of the settlement and the reasons for entering
23 into the agreement shall be stated in a written report that shall be sent to the complainant and
24 made part of the public record.

25 (g) Upon determining that probable cause exists under (a) of this section, the commission
26 shall make public the investigator's report containing findings and recommendations, but not the
27 underlying investigatory materials.

28 Sec. 24.61.550. ADJUDICATORY HEARING. (a) An adjudicatory hearing shall be
29 before a hearing board composed of the commission chair and four commissioners appointed by
30 the chair. If the chair cannot attend all hearing sessions without undue inconvenience, the vice-
31 chair shall serve in the chair's place. If neither the chair nor the vice-chair is available, the chair

1 shall appoint another commissioner. Appointments to hearing boards shall be rotated among the
2 commissioners.

3 (b) The chair, vice-chair, or a commissioner designated by the chair, as appropriate, shall
4 preside at the hearing. The executive director or other legal counsel designated by the
5 commission may attend and advise and counsel the hearing board.

6 (c) An adjudicatory hearing shall be public under AS 44.62.310. A hearing may not be
7 held by teleconference. Except as expressly provided in this chapter, procedures shall be
8 consistent with hearing procedures under AS 44.62.330 - 44.62.630. Upon request, the presiding
9 commissioner may issue reasonable discovery and protective orders in a manner consistent with
10 Rule 26 of the Alaska Rules of Civil Procedure.

11 (d) A hearing board may

12 (1) administer oaths and affirmations and subpoena individuals, including the
13 respondent, to testify or to submit to written interrogatories under oath;

14 (2) compel the production of documentary or tangible evidence;

15 (3) pay witnesses the same fees and mileage reimbursements paid in similar
16 circumstances by the courts of the state;

17 (4) seek enforcement of subpoenas by written application of the commission to
18 the superior court.

19 (e) The respondent may

20 (1) appear before the hearing board and submit testimony or other evidence;

21 (2) personally, or through counsel, request production of documentary or tangible
22 evidence, subpoena, examine, and cross-examine witnesses, raise objections, and make arguments;

23 (3) exercise the pretrial discovery procedures available in civil actions.

24 Sec. 24.61.555. FINDINGS AND RECOMMENDATIONS. (a) Within 10 days after
25 the completion of a hearing, the hearing board shall vote on each charge to determine whether
26 it was established by clear and convincing evidence, and shall prepare a written opinion along
27 with recommendations, if any. A vote of three commissioners is required to find a violation and
28 approve an opinion.

29 (b) As to each charge on which the evidence was found to be insufficient to establish a
30 violation, the hearing board shall include its findings in its written opinion. If the board finds
31 that the charges were frivolous, malicious, made in bad faith, or that, in its opinion the

1 respondent should be exonerated of the charges, it shall so state in its opinion. The respondent's
2 reasonable legal fees should be paid in full from public funds if the respondent is exonerated.

3 (c) As to each charge on which the evidence was found to be sufficient to establish a
4 violation, the hearing board shall include its findings of fact and law in its written opinion, along
5 with recommendations as to appropriate sanctions.

6 Sec. 24.61.560. CIVIL SANCTIONS. (a) When a hearing board considers the
7 appropriate recommended sanctions to be included in its opinion, it shall give due consideration
8 to the purposes of this chapter, the nature of the violation, and other circumstances that are
9 included in the hearing record. The board may recommend, either singly or in combination,

10 (1) a civil penalty of not more than \$5,000 for each offense, or twice the amount
11 improperly gained by the misconduct, whichever is greater;

12 (2) divestiture of specified assets or withdrawal from specified associations;

13 (3) detailed disclosure, with or without additional periodic reporting requirements;

14 (4) suspension from legislative employment, with or without pay;

15 (5) restitution or reimbursement;

16 (6) suspension of pay until orders are complied with;

17 (7) probationary status;

18 (8) a written reprimand;

19 (9) censure, including a recommendation that a legislator censured may not serve
20 as a chair or co-chair on a legislative committee for the remainder of the legislator's current term
21 in office;

22 (10) expulsion of a legislator or dismissal of a legislative employee;

23 (11) payment of costs related to the investigation and adjudication of the charge;

24 (12) another sanction fashioned to achieve the purposes of this chapter.

25 (b) If the commission finds that a violation of AS 24.61.100 - 24.61.450 contributed
26 substantially to the enactment of legislation or to other legislative action, the commission may
27 recommend to the presiding officer of each house that the legislation be repealed or amended or
28 that the other legislative action be rescinded or modified.

29 Sec. 24.61.565. RECOMMENDATIONS TO THE LEGISLATURE WHERE VIOLATOR
30 IS A LEGISLATOR. (a) If the person found to have violated this chapter is or was a member
31 of the legislature, the hearing board's recommendations shall be forwarded by the chair of the

1 commission to the presiding officer of the appropriate house of the legislature.

2 (b) If the legislature is in session, the entire house shall determine the sanctions, if any,
3 that are to be imposed. The vote shall be taken within 10 legislative days of receipt of the
4 commission's recommendations.

5 (c) If the legislature is not in session, the presiding officer of the appropriate house may
6 request the legislature to consider convening itself into special session under AS 24.05.100(a)(2)
7 to consider the hearing board's recommendations. If expulsion is recommended, the presiding
8 officer shall so request. If the legislature does not convene itself into special session, the
9 appropriate house shall consider the recommendations during the first 10 days of the next regular
10 session.

11 (d) Except in the case of expulsion, which requires a two-thirds vote, all other sanctions
12 shall be determined by a majority vote of the full house of which the legislator is a member.

13 Sec. 24.61.570. RECOMMENDATIONS WHERE VIOLATOR IS A LEGISLATIVE
14 EMPLOYEE. If the person found to have violated this chapter is or was a legislative employee,
15 the hearing board's recommendations shall be forwarded to the appropriate appointing authority
16 which shall, as soon as is reasonably possible, determine the sanctions, if any, to be imposed.
17 The appointing authority may not question the hearing board's findings of fact. The appointing
18 authority shall assume the validity of the board's findings, and determine and impose the
19 appropriate sanctions.

20 Sec. 24.61.575. ACTIONS BY THE ATTORNEY GENERAL. The attorney general may
21 independently bring civil actions relating to violations under this chapter regardless of the
22 outcome or settlement of a charge before the commission, provided that the cumulative civil
23 penalties imposed for a violation may not exceed the amount that could be imposed in an action
24 before the commission. This subsection does not prohibit the attorney general from bringing an
25 action under another civil or criminal law.

26 Sec. 24.61.580. WAIVER OF CONFIDENTIALITY. (a) The subject of a complaint
27 may waive any provision of AS 24.61.535 - 24.61.550 relating to the confidentiality of the
28 proceedings. However, the commission or the hearing board may vote to deliberate in closed
29 session, notwithstanding a request by the complainant under this subsection.

30 (b) The commission may publicly respond to a statement or interpretation made
31 concerning the contents of an advisory opinion or decision it has issued or is purported to have

1 issued. A person who requests an advisory opinion and makes that fact public is considered to
2 have waived the confidentiality of the person's identity.

3 ARTICLE 6. GENERAL PROVISIONS.

4 Sec. 24.61.900. RELATIONSHIP TO COMMON LAW AND OTHER LAWS. (a) The
5 provisions of this chapter specifically replace, supersede, and where necessary repeal provisions
6 of the common law relating to legislative conflict of interest.

7 (b) This chapter does not exempt a person from applicable provisions of another law
8 unless the law is expressly superseded or incompatibly inconsistent with specific provisions of
9 this chapter.

10 Sec. 24.61.910. APPLICABILITY. Unless otherwise specifically stated, the provisions
11 of this chapter apply to legislators and legislative employees.

12 Sec. 24.61.920. MAINTENANCE OF DOCUMENTS. Documents filed with or produced
13 by the commission as public records shall be retained for at least six years.

14 Sec. 24.61.930. COOPERATION OF OTHERS. If the commission requests their
15 cooperation, a state agency, official, employee, or a person whose conduct is regulated by this
16 chapter shall cooperate with the commission. An individual shall make information reasonably
17 related to an investigation available to the commission on written request. The commission may
18 request and shall receive from every officer, department, division, board, agency, commission,
19 house of the legislature, or other agency of the state, cooperation and assistance in the
20 performance of its duties.

21 Sec. 24.61.940. CONFIDENTIALITY. A person subject to the provisions of this chapter
22 may not knowingly make an unauthorized disclosure of confidential information acquired in the
23 course of official duties. A person who violates this section is subject to civil sanctions under
24 AS 24.61.560(a) and may be subject to prosecution under AS 11.56.860 or another law.

25 Sec. 24.61.990. DEFINITIONS. (a) In this chapter,

26 (1) "administrative action" means conduct related to the development, drafting,
27 consideration, enactment, defeat, application, or interpretation of a rule, regulation, policy, or
28 other action in a regulatory proceeding or a proceeding involving a license, permit, franchise, or
29 entitlement for use;

30 (2) "anything of value," "benefit," or "thing of value" includes all matters, whether
31 tangible or intangible, that could reasonably be considered to be a material advantage, of material

1 worth, use, or service to the person to whom it is conferred; the terms are intended to be
2 interpreted broadly and encompass all matters that the recipient might find sufficiently desirable
3 to do something in exchange for;

4 (A) "anything of value," "benefit," or "thing of value" includes but is not
5 limited to

- 6 (i) money;
- 7 (ii) products or merchandise;
- 8 (iii) works of art or collectibles;
- 9 (iv) stocks, bonds, notes, or options;
- 10 (v) an interest in real property;
- 11 (vi) contracts or a promise of a future interest in a contract;
- 12 (vii) an interest or a promise of a future interest in a business;
- 13 (viii) meals, beverages, or lodging;
- 14 (ix) transportation;
- 15 (x) services, including loaned employees;
- 16 (xi) loans, loan guarantees, co-signing;
- 17 (xii) forgiveness of a debt;
- 18 (xiii) discounts or rebates not extended to the public generally;
- 19 (xiv) tickets or admissions;
- 20 (xv) free or discounted use of office facilities;
- 21 (xvi) loan of office equipment;
- 22 (xvii) radio or television time;
- 23 (xviii) promise or offer of present or future employment;
- 24 (xix) use of autos, boats, apartments, or other recreational or
25 lodging facilities;
- 26 (xx) intangible rights such as a cause of action;
- 27 (xxi) licenses, patents, copyrights, or an interest in them;
- 28 (xxii) any other item having economic value;

29 (B) "anything of value," "benefit," or "thing of value" does not include

- 30 (i) an item listed in AS 24.61.210(b);
- 31 (ii) campaign contributions, pledges, political endorsements.

1 support in a political campaign, or a promise of endorsement or support;

2 (iii) contributions to a cause or organization, including a charity,
3 made in response to a direct solicitation from a legislator or a person acting at the
4 legislator's direction;

5 (iv) grants under AS 37.05.316 to named recipients;

6 (3) "charitable organization" means an organization that qualifies for a federal tax
7 exemption under 26 U.S.C. 501(c)(3);

8 (4) "close economic association" means a financial relationship that exists between
9 a person covered by this chapter and some other person or entity, including but not limited to
10 relationships where the person covered by this chapter serves as a consultant or advisor to, is a
11 member or representative of, or has a financial interest in, any association, partnership, business,
12 or corporation;

13 (5) "commission" means the Legislative Ethics Commission;

14 (6) "compensation" means remuneration for personal services rendered, including
15 salary, fees, commissions, bonuses, and similar payments, but does not include reimbursement
16 for actual expenses incurred by a person;

17 (7) "confidential information" means information that has been classified
18 confidential by law;

19 (8) "exonerate" means to free from a charge or the imputation of guilt, or to prove
20 blameless;

21 (9) "honorarium" means anything of value, other than reimbursement of travel
22 expenses, given to a person for making a speech, panel presentation, personal appearance, or
23 similar activity;

24 (10) "immediate family" means the spouse, parents, children, including a stepchild
25 and an adoptive child, and siblings of a person;

26 (11) "income" means gross income as defined in 26 U.S.C. 61 in effect on
27 January 1, 1990, and all gifts, awards, and inheritances;

28 (12) "intent to influence legislative, administrative, or political action" means that
29 an act, including the offering or conferring of a thing of value to a public official, is done with
30 the intent to induce the official to do or refrain from doing an act;

31 (13) "knowingly" has the meaning given in AS 11.81.900;

1 (14) "legislative action" means conduct relating to the development, drafting,
2 consideration, sponsorship, enactment or defeat, support or opposition to or of a law, amendment,
3 resolution, report, nomination, or other matter affected by legislative action or inaction;

4 (15) "legislative assistant" means a legislative employee whose assigned duties
5 involve the exercise of substantial discretion and judgment; it does not include employees who
6 perform purely clerical or ministerial functions; the legislative council shall propose policies
7 relating to the interpretation of this definition, and the commission shall consider the adoption
8 of these guidelines as regulations;

9 (16) "legislative director" means the director of the legislative finance division,
10 the legislative auditor, the director of the legislative research agency, the ombudsman, the
11 executive director of the Legislative Affairs Agency, and the directors of the divisions within the
12 Legislative Affairs Agency;

13 (17) "legislative employee" means a person, other than a legislator, who is
14 compensated by the legislative branch in return for regular or substantial personal services,
15 regardless of the person's pay level or technical status as a full-time or part-time employee,
16 independent contractor, or consultant; it includes members and staff of the commission; it does
17 not include individuals who perform functions that are incidental to legislative functions, such
18 as security, messengers, maintenance, and print shop employees; for purposes of this paragraph,
19 "regular or substantial" means work that is expected to involve, or does involve, at least 400
20 hours in a calendar year or 300 hours during a regular legislative session; the legislative council
21 shall propose policies relating to the interpretation of this definition, and the commission shall
22 consider the adoption of these guidelines as regulations;

23 (18) "lobbyist" means a person who is required to register under AS 24.45.041
24 and is described under AS 24.45.171(8)(A), but does not include a volunteer lobbyist described
25 in AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the Alaska
26 Public Offices Commission;

27 (19) "local government" means a municipality, a municipal school district, or a
28 regional educational attendance area;

29 (20) "political action" means conduct in which public officials, including
30 legislators or legislative employees, use their official position or political contacts to exercise
31 influence on state and local government employees or entities; it includes but is not limited to

1 endorsing and pledging support or actively supporting a legislative matter, a nominee, or a
2 candidate for public office;

3 (21) "reasonably should know" means that, under the circumstances, a reasonable
4 person would know a fact;

5 (22) "registered lobbyist" means a person who is required to register under
6 AS 24.45.041;

7 (23) "representation" means action taken on behalf of another, whether for
8 compensation or not, including but not limited to telephone calls and meetings and appearances
9 at proceedings or meetings.

10 (b) A person, including a governmental entity, has a substantial interest in legislative,
11 administrative, or political action if the person

12 (1) is not a natural person and will be directly and substantially affected
13 financially by a legislative, administrative, or political action;

14 (2) is a natural person and will be directly and substantially affected financially
15 by a legislative, administrative, or political action in a way that is greater than the effect on a
16 substantial class of persons to which the person belongs as a member of a profession, occupation,
17 industry, or region;

18 (3) has or seeks contracts in excess of \$10,000 annually for goods or services with
19 the legislature or with an agency of state government;

20 (4) is a lobbyist;

21 (5) represents, with or without compensation, a person or organization described
22 in (1) - (4) of this section; or

23 (6) is not the state or federal government or an agency of the state or federal
24 government.

25 * Sec. 3. AS 11.56.805(a) is amended to read:

26 (a) A person commits the crime of false accusation if the person knowingly or
27 intentionally initiates a false complaint with the [SELECT COMMITTEE ON] Legislative Ethics
28 Commission established under AS 24.61 [IN AS 24.60].

29 * Sec. 4. AS 15.25.030(b) is amended to read:

30 (b) A person filing a declaration of candidacy under this section other than for a state
31 legislative office shall simultaneously file with the director a statement of income sources and

1 business interests that complies with the requirements of AS 39.50. A person filing a
2 declaration of candidacy for state legislative office shall simultaneously file with the director
3 a disclosure statement that complies with the requirements of AS 24.61.400.

4 * Sec. 5. AS 15.25.030(c) is amended to read:

5 (c) An incumbent public official, other than a legislator, who has a current statement
6 of income sources and business interests under AS 39.50 on file with the Alaska Public Offices
7 Commission, or an incumbent legislator who has a current disclosure statement under
8 AS 24.61.400 on file with the Alaska Public Offices Commission, is not required to file a
9 statement of income sources and business interests or a disclosure statement with the
10 declaration of candidacy under (b) of this section.

11 * Sec. 6. AS 15.25.180(b) is amended to read:

12 (b) A person filing a nominating petition under this section other than for a state
13 legislative office shall also file with the director a statement of income sources and business
14 interests that complies with the requirements of AS 39.50 within 30 days of filing the petition.
15 A person filing a nominating petition for state legislative office shall file with the director
16 a disclosure statement that complies with the requirements of AS 24.61.400 within 30 days
17 of filing the petition.

18 * Sec. 7. AS 15.25.180(c) is amended to read:

19 (c) An incumbent public official, other than a legislator, who has a current statement
20 of income sources and business interests under AS 39.50 on file with the Alaska Public Offices
21 Commission, or an incumbent legislator who has a current disclosure statement under
22 AS 24.61.400 on file with the Alaska Public Offices Commission, is not required to file a
23 statement of income sources and business interests or a disclosure statement with the
24 declaration of candidacy under (b) of this section.

25 * Sec. 8. AS 23.20.526(d)(8) is amended to read:

26 (8) in the employ of the state or a political subdivision of the state if the service
27 is performed by an individual in the exercise of duties

28 (A) as a "public official" as defined in AS 39.50.200(a), [OR] any other
29 elected official, the fiscal analyst of the legislative finance division, the legislative
30 auditor of the legislative audit division, the executive director of the Legislative
31 Affairs Agency, and the directors of the divisions within the Legislative Affairs

1 Agency:

2 (B) as a member of the Alaska Army National Guard or Alaska Air
3 National Guard or Alaska Naval Militia; or

4 (C) as an employee serving on only a temporary basis in case of fire,
5 storm, snow, earthquake, flood, or similar emergency;

6 * **Sec. 9.** AS 24.10.110 is amended to read:

7 Sec. 24.10.110. **LEGISLATIVE OFFICE ALLOWANCE** [ADDITIONAL
8 ALLOWANCES]. In addition, each member of the legislature is entitled to an annual allowance
9 **of \$6,000** [PRESCRIBED IN ACCORDANCE WITH AS 39.23] for postage, stationery,
10 stenographic services, and other expenses.

11 * **Sec. 10.** AS 24.10 is amended by adding a new section to read:

12 Sec. 24.10.111. SUPPLEMENTAL OFFICE EXPENSES. (a) A legislator may be
13 reimbursed for lawful legislative expenses to supplement the allowance prescribed by
14 AS 24.10.110 and the resources generally provided to legislators by the legislature and its
15 agencies.

16 (b) The legislative council shall, within 10 days of the beginning of a regular session of
17 the legislature in an odd-numbered year, set a maximum amount up to \$2,000 that may be
18 reimbursed under (a) of this section. If the council does not set a maximum amount under this
19 section, the previously established maximum amount remains in effect. The council may vary
20 the maximum amount according to the number of constituents a legislator represents.

21 (c) Expenses relating to newsletters may be reimbursed under this section only if the
22 newsletter complies with guidelines on newsletters that the legislative council shall adopt and
23 with the provisions of AS 24.61.

24 * **Sec. 11.** AS 24.10 is amended by adding new sections to read:

25 **ARTICLE 5. DEFENSE OF LEGISLATORS AND LEGISLATIVE EMPLOYEES.**

26 Sec. 24.10.300. DEFENSE OF LEGISLATORS AND LEGISLATIVE EMPLOYEES.

27 (a) Except as otherwise provided in AS 24.10.300 - 24.10.400 and after written request of a
28 legislator or legislative employee, the Legislative Affairs Agency shall represent the legislator
29 or legislative employee

30 (1) in a civil or criminal action brought against the legislator or employee because
31 of an act or omission that occurred within the scope of the legislator's service with or the

1 employee's employment by the legislature;

2 (2) before a civil or criminal action is filed if the filing of a civil or criminal
3 action against the legislator or employee is threatened or likely because of an act or omission that
4 occurred within the scope of the legislator's service with or the employee's employment by the
5 legislature.

6 (b) The Legislative Affairs Agency may not represent a legislator or a legislative
7 employee under (a) of this section if the executive director of the Legislative Affairs Agency
8 determines that

9 (1) the act or omission was not within the scope of the legislator's service or
10 employee's employment, unless an arbitrator determines under AS 24.10.310 that the act or
11 omission was within the scope of service or employment;

12 (2) the agency's defending the action would create a conflict of interest between
13 the legislature and the individual legislator or employee; or

14 (3) the legislator or employee is covered by insurance that requires the carrier to
15 provide an attorney to defend the action.

16 (c) The Legislative Affairs Agency may refuse to represent a legislator or legislative
17 employee under (a) of this section if the legislator or employee fails to deliver to the executive
18 director of the Legislative Affairs Agency a legible copy of the pleading that states the claim
19 against the legislator or employee within 10 days after the legislator or employee receives it.

20 (d) The Legislative Affairs Agency shall provide representation under this section by its
21 own staff or by private counsel who is under contract with the agency.

22 Sec. 24.10.310. SCOPE OF EMPLOYMENT; ARBITRATION. If the Legislative Affairs
23 Agency denies representation under AS 24.10.300(b)(1), the legislator or legislative employee
24 may request arbitration under AS 09.43 on the issue of whether the act or omission was within
25 the scope of the legislator's service with or employee's employment by the legislature. The
26 arbitrator's decision under this subsection does not affect the Legislative Affairs Agency's duty
27 of reimbursement under AS 24.10.330, legislator's or employee's duty of reimbursement under
28 AS 24.10.340, or the rights or duties of any other person. The method of appointment of the
29 arbitrator is governed by the rules of the American Arbitration Association.

30 Sec. 24.10.320. CONFLICT; PAYMENT OF FEES BY THE LEGISLATIVE AFFAIRS
31 AGENCY. If the executive director of the Legislative Affairs Agency determines that there is

1 a conflict of interest between the legislature and the individual legislator or legislative employee
2 and that representation would otherwise be authorized by AS 24.10.300, the Legislative Affairs
3 Agency shall pay for reasonable attorney fees and costs necessary for the defense of the legislator
4 or employee. However, the agency shall consult in advance with the prospective attorney for the
5 legislator or employee about the amount of payment and shall inform the legislator or employee
6 in writing of the maximum amount agreed to by the agency. Within 30 days after receiving the
7 agency's written notification of the maximum payable, the legislator or employee may request
8 arbitration under AS 09.43 for the purpose of determining a reasonable maximum amount of
9 payment. The amount payable by the agency is the amount decided by the arbitrator or the
10 amount originally set by the agency after consultation, whichever is greater. If arbitration is
11 requested, the method of appointment of the arbitrator is governed by the rules of the American
12 Arbitration Association.

13 Sec. 24.10.330. REIMBURSEMENT BY LEGISLATIVE AFFAIRS AGENCY. The
14 Legislative Affairs Agency shall reimburse a legislator or legislative employee for reasonable
15 attorney fees and costs incurred in defense of an action to the extent the agency failed to
16 represent the legislator or employee in that action

17 (1) under AS 24.10.300(b)(1), and it is judicially determined that the act or
18 omission was within the scope of legislative service or employment; or

19 (2) under AS 24.10.300(b)(3), and it is judicially determined that the legislator
20 or employee was not covered by insurance that required the carrier to provide an attorney to
21 defend the action.

22 Sec. 24.10.340. REIMBURSEMENT BY LEGISLATOR OR EMPLOYEE. If the
23 Legislative Affairs Agency represents a legislator or legislative employee in a civil action under
24 AS 24.10.300, and it is judicially determined that the legislator's or employee's act or omission
25 involved actual fraud, wilful misconduct, or actual malice, or if the agency represents a legislator
26 or employee in a criminal action under AS 24.10.300 and the legislator or employee is found
27 guilty, the legislator or employee is liable to the agency for the reasonable attorney fees and costs
28 incurred or paid by the agency for the defense of the legislator or employee in that action.

29 Sec. 24.10.350. RESERVATION OF RIGHTS BY THE LEGISLATIVE AFFAIRS
30 AGENCY. The Legislative Affairs Agency reserves the right to determine whether it will
31 indemnify a legislator or legislative employee who is defended under AS 24.10.300 - 24.10.400

1 if a judgment is rendered against the legislator or employee.

2 Sec. 24.10.360. INADMISSIBILITY OF DECISION. The Legislative Affairs Agency's
3 decision not to represent a legislator or legislative employee and an arbitrator's decision under
4 AS 24.10.310 are inadmissible in the action for which representation was denied.

5 Sec. 24.10.400. DEFINITIONS. In AS 24.10.300 - 24.10.400,

6 (1) "action" includes a civil action and a criminal action;

7 (2) "civil action" includes a claim against a legislator made by cross-claim,
8 counterclaim, or third-party claim;

9 (3) "legislator" means a present or former legislator;

10 (4) "legislative employee" means a present or former employee of a legislator or
11 of any agency in the legislative branch of government.

12 * Sec. 12. AS 24.40.010 is amended to read:

13 AS 24.40.010. IMMUNITIES. A legislator may not be held to answer before another
14 [ANY OTHER] tribunal for a [ANY] statement made at any time regarding the meaning of
15 or legislative intent behind a statute or resolution that was enacted by a legislature of which
16 the legislator was a member or made in the exercise of legislative duties while the legislature
17 is in session. A member attending, going to, or returning from legislative sessions is not subject
18 to civil process and is privileged from arrest except for felony or breach of the peace. The
19 immunities provided in this section extend to a legislator attending, going to, or returning from
20 a meeting of an interim standing or special committee of the legislature of which the legislator
21 is a member. For the purposes of going to and returning from a session or meeting, the
22 immunities provided extend to a legislator for a period of five days immediately preceding and
23 following the legislator's attendance at the session or meeting.

24 * Sec. 13. AS 24.45.121 is amended by adding a new subsection to read:

25 (c) A former legislator may not act as a lobbyist until the conclusion of the next full
26 regular legislative session following the legislator's departure from office.

27 * Sec. 14. AS 24.45.171(12) is amended to read:

28 (12) "public official" or "public officer" means a public official as defined in
29 AS 39.50.200(a), a member of the legislature, or a legislative director as defined in
30 AS 24.61.990(a); however, it does not include a judicial officer or an elected or appointed
31 municipal officer.

1 * Sec. 15. AS 39.25.110 is amended by adding a new paragraph to read:

2 (30) executive director and staff of the Legislative Ethics Commission.

3 * Sec. 16. AS 39.50.020 is amended to read:

4 Sec. 39.50.020. REPORT OF FINANCIAL AND BUSINESS INTERESTS. (a) A
5 judicial officer, commissioner, chair [CHAIRMAN] or member of a state commission or board
6 specified in AS 39.50.200(b), a person hired or appointed as head or deputy head of, or director
7 of a division within, a department in the executive branch, a person appointed as assistant to the
8 governor, and a municipal officer, shall file a statement giving income sources and business
9 interests, under oath and on penalty of perjury, within 30 days after taking office as a public
10 official. Candidates for governor and lieutenant governor [STATE ELECTIVE OFFICE] shall
11 file such a statement with the director of elections at the time of filing a declaration of candidacy
12 or within 30 days of the filing of any nominating petition, or within 30 days of becoming a
13 candidate by any other means. Candidates for elective municipal office shall file such a
14 statement at the time of filing a nominating petition, declaration of candidacy, or other required
15 filing for the elective municipal office. Refusal or failure to file within the time prescribed shall
16 require that the candidate's filing fees, if any, and filing for office be refused or that a previously
17 accepted filing fee be returned and the candidate's name removed from the filing records. A
18 statement shall also be filed by public officials no later than April 15 or 15 days after the person
19 files a federal income tax return in each following year, whichever comes first. Persons who,
20 on or after December 11, 1974, were members of boards or commissions not named in
21 AS 39.50.200(b) are not required to file financial statements.

22 (b) The governor, lieutenant governor, [MEMBERS OF THE LEGISLATURE,] judicial
23 officers, each commissioner, head or deputy head of, or director of a division within, a
24 department in the executive branch, assistant to the governor or chair [CHAIRMAN] or member
25 of a commission or board required to report under this chapter, shall file the statement with the
26 Alaska Public Offices Commission. Candidates for the office of governor and [,] lieutenant
27 governor [, AND THE LEGISLATURE] shall file the statement under AS 15.25.030 or
28 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the
29 municipal clerk or other municipal official designated to receive their filing for office. All
30 statements required to be filed under this chapter are public records.

31 * Sec. 17. AS 39.50.200(a)(8) is amended to read:

1 (8) "public official" means a judicial officer, [A MEMBER OF THE
2 LEGISLATURE, THE FISCAL ANALYST OF THE LEGISLATIVE FINANCE DIVISION,
3 THE LEGISLATIVE AUDITOR OF THE LEGISLATIVE AUDIT DIVISION, THE
4 EXECUTIVE DIRECTOR OF THE LEGISLATIVE AFFAIRS AGENCY AND THE
5 DIRECTORS OF THE DIVISIONS WITHIN THE LEGISLATIVE AFFAIRS AGENCY,] the
6 governor, the lieutenant governor, a person hired or appointed as the head or deputy head of, or
7 director of a division, a department in the executive branch, an assistant to the governor, chair
8 [CHAIRMAN] or member of a state commission or board, the executive director of the Alaska
9 Tourism Marketing Council, and each appointed or elected municipal officer;

10 * Sec. 18. AS 39.52.910(a) is amended to read:

11 (a) Except as specifically provided, this chapter applies to all public officers within
12 executive-branch agencies, including members of boards or commissions. This chapter does not
13 apply to a former public officer of an executive-branch agency unless a provision specifically
14 states that it so applies. This chapter does not apply to legislators covered by AS 24.61
15 [AS 24.60].

16 * Sec. 19. AS 24.55.310, AS 24.60, AS 39.50.025, and 39.50.120 are repealed.

17 * Sec. 20. INITIAL COMMISSION APPOINTMENTS. (a) Notwithstanding AS 24.61.500(d), as
18 added by sec. 2 of this Act, the terms of the members initially appointed to the Legislative Ethics
19 Commission are as follows:

20 (1) one of the members appointed by the supreme court and one of the members
21 appointed by the Legislative Ethics Commission, determined by lot, serve terms of four years;

22 (2) the other member appointed by the supreme court serves a term of three years;

23 (3) one of the members appointed by the Legislative Ethics Commission, determined by
24 lot, serves a term of two years;

25 (4) the third member appointed by the Legislative Ethics Commission serves a term of
26 one year.

27 (b) A member serving a one-year or two-year term under this section is eligible for
28 reappointment to two consecutive four-year terms. A member serving a three-year term under this
29 section may not be reappointed to two consecutive four-year terms.

30 * Sec. 21. TRANSITIONAL PROVISIONS RELATING TO VIOLATIONS OF FORMER AS 24.60.

31 Notwithstanding the repeal of AS 24.60 by sec. 19 of this Act, in addition to the provisions of AS 24.61.

1 as added by sec. 2 of this Act, the Legislative Ethics Commission may consider complaints alleging
2 violations of AS 24.60 that occurred prior to January 1, 1992, and for which proceedings have not been
3 commenced or concluded prior to January 1, 1992. For the purpose of this section, the Legislative
4 Ethics Commission shall follow the procedures established under AS 24.61, but may not recommend a
5 sanction or penalty not authorized under former AS 24.60.

6 * Sec. 22. TRANSITIONAL PROVISIONS RELATING TO REPRESENTATION OF OTHERS.

7 Notwithstanding AS 24.61.190, as added by sec. 2 of this Act, a legislator or legislative assistant who
8 is subject to AS 24.61.190 may, until July 1, 1992, represent a person in a manner that would otherwise
9 be prohibited under AS 24.61.190 if the legislator or legislative assistant promptly files a statement with
10 the Legislative Ethics Commission that includes the name of the client, an identifying name or number
11 of the action, a brief description of the nature of the action, and the amount of compensation received
12 or anticipated relating to the representation. The statement shall be published in the journal of the
13 appropriate house. If information contained in the statement changes, a supplemental statement shall be
14 filed every 90 days until the matter is completed or July 1, 1992, at which time the representation must
15 be terminated. The representation may continue beyond July 1, 1992, if the legislator or legislative
16 assistant applies for, and the Legislative Ethics Commission grants, an exemption to the termination date
17 under AS 24.61.530, as added by sec. 2 of this Act. In this section, "legislative assistant" has the
18 meaning given in AS 24.61.990, as added by sec. 2 of this Act.

19 * Sec. 23. APPLICABILITY OF AS 24.10.300 - 24.10.400. Nothing in AS 24.10.300 - 24.10.400,
20 as enacted by sec. 11 of this Act, impairs a right under a contract in effect on the effective date of
21 sec. 11 of this Act.

22 * Sec. 24. AS 24.61.420, 24.61.500 - 24.61.580, and 24.61.990, as added by sec. 2 of this Act, and
23 secs. 11, 12, 20, and 23 of this Act take effect July 1, 1991.

24 * Sec. 25. Except as provided in sec. 24 of this Act, this Act takes effect January 1, 1992.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

*P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029*

*Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101*

MEMORANDUM

May 9, 1991

SUBJECT: CSHB 4 (Finance)

TO: Representative Mike Navarre
Chair, House Finance Committee
Attn: Carol

FROM: John B. Gaguine **JBG**
Legislative Counsel

Enclosed is a draft CSHB 4 (Finance), making the changes to CSHB 4 (Jud) that were recommended by Representative Koponen's subcommittee. I altered the APOC suggestion to AS 24.61.420: it now refers only to examination and investigation of reports filed under AS 24.61.400, and requires that they report any findings of possible violations of AS 24.61 to the Legislative Ethics Commission. I believe that this is consistent with the structure of AS 24.61.400 - 24.61.450: APOC adopts regulations and forms, accepts the filing, and may impose civil penalties for late filers (including non-filers), but sanctions for substantive violations are imposed under AS 24.61.560(a), which means by the Legislative Ethics Commission or by the attorney general.

If I may be of further assistance, please advise.

JBG:pl
91-353.plm

cc: Representative Koponen
Attn: Ron Clarke

7-LS0095S
Gaguine
5/9/91

CS FOR HOUSE BILL NO. 4 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FINKELSTEIN, Ellis, Kubina, Bruckman, Grussendorf, Carney, B.Davis, Parnell

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to current and former legislators and legislative employees, and candidates**
2 **for the legislature; establishing a legislative ethics commission; and providing for an**
3 **effective date."**

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

5 *** Section 1. SHORT TITLE.** This Act may be known as the Legislative Ethics Act of 1991.

6 *** Sec. 2. AS 24 is amended by adding a new chapter to read:**

7 **CHAPTER 61. LEGISLATIVE ETHICS.**

8 **ARTICLE 1. PURPOSE.**

9 **Sec. 24.61.010. PURPOSE.** This chapter is enacted to

10 (1) assure the integrity of representative government and sustain the confidence
11 and trust of the people of this state in their representatives, the legislature as a whole, and the
12 legislative process;

13 (2) provide a comprehensive and unified statement of the ethical principles,
14 considerations, and obligations inherent in the public trust theory of government service and

1 establish specific standards of conduct to ensure that those entrusted with public authority avoid
2 conduct that might undermine the people's respect for the legislature; and

3 (3) establish a positive, effective, and comprehensive ethics program that is clear,
4 practical, and fair.

5 ARTICLE 2. STANDARDS OF CONDUCT.

6 Sec. 24.61.100. IMPROPER BENEFIT FROM PERFORMANCE OF PUBLIC DUTIES.

7 A legislator or legislative employee may not solicit, agree to accept, or accept a benefit other
8 than official compensation for the performance of public duties. This subsection may not be
9 construed to prohibit lawful solicitation for and acceptance of campaign contributions or the
10 acceptance of a lawful gratuity under AS 24.61.210.

11 Sec. 24.61.110. MISUSE OF STATE PROPERTY AND RESOURCES FOR PRIVATE

12 BENEFIT. (a) A legislator or legislative employee may not use public funds, facilities,
13 equipment, services, or another government asset or resource for a nongovernmental purpose or
14 for the private benefit of either the legislator, legislative employee, or another person. This
15 subsection does not prohibit

16 (1) limited use of state property and resources for personal purposes if the use
17 does not interfere with the performance of public duties, the cost or value related to the use is
18 nominal, and the use does not create the appearance of impropriety;

19 (2) the use of mailing lists, computer data, or other information lawfully obtained
20 from a government agency and available to the general public for nongovernmental purposes; or

21 (3) telephone or other communications that do not carry a special charge.

22 (b) A legislator or legislative employee may not knowingly seek, accept, use, allocate,
23 grant, or award public funds for a purpose other than that approved by law, or make a false
24 statement in connection with a claim, request, or application for compensation, reimbursement,
25 or travel allowances from public funds.

26 (c) A legislator or legislative employee may not require at any time or authorize on
27 government time a legislative employee to perform personal services or assist in a private activity
28 on government time except in unusual or infrequent situations where the person's service is
29 reasonably necessary to permit the legislator or legislative employee to perform official duties.

30 Sec. 24.61.120. MISUSE OF STATE PROPERTY AND RESOURCES FOR POLITICAL
31 PURPOSES. (a) A legislator or legislative employee may not use or authorize the use of ^{state}[public]

1 funds, facilities, equipment, services, or another government asset or resource for the purpose of
2 political fund raising or campaigning. This subsection does not prohibit

3 (1) limited use of state property and resources for personal purposes if the use
4 does not interfere with the performance of public duties, the cost or value related to the use is
5 nominal, and the use does not create the appearance of impropriety;

6 (2) the use of mailing lists, computer data, or other public information lawfully
7 obtained from a government agency and available to the general public for nongovernmental
8 purposes; or

9 (3) telephone or other communications that do not carry a special charge.

10 (b) A legislative employee may not on government time assist in political party or
11 candidate activities, campaigning, or fund raising. A legislator may not require an employee to
12 perform an act in violation of this subsection.

13 (c) Unless superseded by policies relating to the use of government resources for political
14 purposes developed by the legislative council under AS 24.61.512 and adopted by the
15 commission as regulations under AS 24.61.510, the following prohibitions apply:

16 (1) a legislator may not use or authorize the use of ^{state} [public] funds, property,
17 personnel, or other resources to produce, print, photocopy, publish, broadcast, or otherwise
18 disseminate material primarily intended to influence an election; this provision applies to
19 newsletters and other constituent correspondence that by their nature, content, timing, or use are
20 primarily intended to influence an election, even if the materials do not make a specific reference
21 to the election, but does not apply to newsletters and other constituent correspondence that
22 express the legislator's opinions or views on issues of public interest or on ballot measures that
23 are before the legislature or before the electorate, or that describe the legislator's votes, legislative
24 proposals, or other legislative action;

25 (2) unless approved by the commission, ^{state} [public] funds, other than funds to which
26 a legislator is entitled as an office allowance, may not be used to print or distribute a mass
27 mailing from or about a legislator who is a candidate for reelection to the legislature or another
28 state office during the period beginning 30 days before the primary election in which the
29 legislator is a candidate, and ending the day after a general or special election in which the
30 legislator is a candidate; and

31 (3) a legislator, or another person on behalf of the legislator, or a campaign

1 committee of the legislator, may not distribute or post literature, placards, posters, or other
2 communications intended to influence the election of a candidate in an election in public areas
3 in a facility ordinarily used to conduct state government business.

4 Sec. 24.61.140. COERCION. (a) A legislator may not, directly or by authorizing
5 another to act on the legislator's behalf, state or imply that the legislator's consideration of an
6 issue, cause, or piece of legislation, or the legislator's willingness to meet with a person, is
7 dependent on the person making a campaign contribution, donating to a cause favored by the
8 legislator, or providing a thing of value to the legislator.

9 (b) A legislator may not directly, or by authorizing another to act on the legislator's
10 behalf,

11 (1) agree to, or threaten to take or withhold a legislative, administrative, or
12 political action, including but not limited to support or opposition to a bill, employment,
13 nominations, and appointments, as a result of a person's decision to provide or not provide a
14 political contribution;

15 (2) state or imply that the legislator will perform or refrain from performing a
16 lawful constituent service as a result of a person's decision to provide or not provide a political
17 contribution.

18 Sec. 24.61.150. NEPOTISM. (a) A member of the immediate family of a legislator may
19 not be employed for compensation

20 (1) in the house of which the legislator is a member during the legislative session;

21 (2) in either house in the interim between legislative sessions;

22 (3) by an agency of the legislature established under AS 24.20; or

23 (4) by the commission, whether for compensation or not.

24 (b) A member of the immediate family of a legislative employee may not be employed
25 for compensation in a position over which the employee has supervisory authority.

26 (c) In cases where a member of the immediate family of a legislator or legislative
27 employee is uniquely qualified to perform a task, or another extraordinary circumstance exists
28 under which it would be in the state's interest to waive the limitation of this section, a waiver
29 of a provision of this section may be sought under AS 24.61.530.

30 (d) A person who employs or causes the employment of another person in violation of
31 this section is subject to civil sanctions under AS 24.61.560(a).

1 (e) In this section, "interim between legislative sessions" means the period
2 beginning on the eighth day after the legislature adjourns from a regular session and
3 ending eight days before the date that the legislature shall convene under AS 24.05.090.

4 Sec. 24.61.170. BOARD MEMBERSHIPS AND OTHER PUBLIC OFFICES. (a) A
5 legislative assistant may not serve in a position that requires confirmation by the legislature. A
6 legislator or legislative assistant may serve on a board of an organization, including a
7 governmental entity, that regularly has a substantial interest in the legislative activities of the
8 assistant, if the legislator or assistant discloses the board membership to the commission.

9 (b) In extraordinary situations where the criteria for an exemption exists, a legislator or
10 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

11 Sec. 24.61.180. RESTRICTIONS ON ACTIONS. (a) Unless required by the Uniform
12 Rules of the Alaska State Legislature, a legislator or legislative employee may not participate in
13 legislative, administrative, or political action if the legislator or legislative employee has an equity
14 or ownership interest in a business, investment, real property, lease, or other enterprise if the
15 interest is substantial and the effect of the action on that interest is greater than the effect on a
16 substantial class of persons to which the legislator or legislative employee belongs as a member
17 of a profession, occupation, industry, or region.

18 (b) In extraordinary situations where the criteria for an exemption exists, a legislator or
19 legislative employee may seek a waiver of the provisions of this section under AS 24.61.530.

20 Sec. 24.61.190. RESTRICTED ACTIVITIES AS AN ATTORNEY OR
21 REPRESENTATIVE. (a) A legislator or legislative assistant may not for compensation
22 represent, as an advocate, advisor, or consultant, a person before an agency, board, or
23 commission of the state, unless the agency, board, or commission is acting quasi-judicially. This
24 provision does not prohibit an attorney from representing a client in a judicial action or prevent
25 a legislator or legislative assistant from representing personal interests. This subsection may not
26 be construed to permit compensated representation for purposes of obtaining or retaining a state
27 or local license, permit, franchise, grant, loan, or other benefit, unless the granting of the benefit
28 requires little discretion.

29 (b) This section may not be construed to prohibit a legislator or legislative assistant from
30 advising a person about the procedures or appropriateness of bringing an action against the state
31 or a local government. If a legislator or legislative assistant in an otherwise proper manner

1 advises a [constituent or another] person in an action against the state or a local government or
2 before a state or local government agency, the legislator or legislative assistant may not reveal
3 confidential information.

4 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
5 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

6 Sec. 24.61.200. RESTRICTED TRANSACTIONS: INTEREST IN STATE
7 CONTRACTS OR LEASES. (a) A legislator, a legislative assistant, or a member of the
8 immediate family of a legislator may not be a party to, or have a financial interest in, a state
9 contract or lease unless the contract or lease is permitted under (b), (c), or (d) of this section.

10 (b) A contract is permissible if the contract is let through competitive sealed bidding
11 under AS 36.30 (State Procurement Code) and the legislator or legislative assistant files a
12 statement with the commission before the contract is executed certifying under penalty of
13 unsworn falsification that the legislator or legislative assistant did not have (1) access to
14 confidential information that reasonably could provide an advantage; or (2) discussions or
15 contacts with state officials involved in letting the contract about the contract that could influence
16 the decision. The statement must also specify the nature of the legislator's personal or immediate
17 family interest or the legislative assistant's personal interest, including the percentage or share
18 of profits that will be realized. If the commission requests additional information necessary to
19 determine the priority of the award of the contract, it shall be promptly provided. If the
20 commission believes the nature or circumstances of the contract raise impermissible conflicts of
21 interest, it may recommend that the contract be voided or that restrictions be placed on the
22 contractor. The statement filed by the legislator or legislative assistant regarding the contract is
23 a public record and shall be published in the journal of the appropriate house.

24 (c) A contract or lease is permissible if the total amount of the contract or lease over the
25 course of a year is less than \$1,000, the legislator, legislative assistant, or family member does
26 not have contracts of less than \$1,000 that cumulatively total more than \$1,000, and the contract
27 or lease was let under circumstances that do not raise a substantial question of improper
28 influence.

29 (d) A contract or lease is permissible if it is a standardized contract or lease that was
30 developed under publicly adopted regulations or procedures and is generally available to the
31 public at large or to members of a profession, occupation, or group to which the legislator,

1 legislative assistant, or member of the legislator's or assistant's immediate family belongs.

2 (e) A legislator or legislative assistant may not receive anything of value to procure or
3 advocate for a contract with state or local government. ^{in Alaska}

4 Sec. 24.61.210. GIFTS. (a) A legislator or legislative employee may not solicit, accept,
5 or receive, directly or indirectly, a gift of a benefit in any amount if the legislator or legislative
6 employee knows or should reasonably know that it is offered with the intent to influence
7 legislative, administrative, or political action.

8 (b) Except as provided in this subsection, a legislator or legislative employee may not
9 solicit, accept, or receive, directly or indirectly, a gift of a benefit worth over \$50, or gifts of any
10 value from a lobbyist during a legislative session. The following benefits may be accepted as
11 gifts without regard to the restrictions of this subsection and need not be reported except as
12 specifically provided:

13 (1) hospitality with incidental transportation

14 (A) at the residence of a person; or

15 (B) at a social event or meal;

16 (2) discounts that are available generally to the public or to a large class of
17 persons to which the recipient belongs;

18 (3) food or foodstuffs indigenous to the state that are shared generally as a
19 cultural or social norm;

20 (4) travel and related food and lodging, primarily for the purpose of obtaining
21 information on matters of legislative concern; gifts under this paragraph with a value of more
22 than \$100 shall be reported to the commission;

23 (5) gifts from family members;

24 (6) birthday, wedding, anniversary, holiday, and similar ceremonial gifts if the
25 donor does not have a substantial interest in the legislative, administrative, or political action of
26 the recipient;

27 (7) gifts of property, other than money, presented by a representative of a foreign
28 government if the recipient accepts the gift on behalf of the legislature; the recipient of a gift
29 under this paragraph with a value of more than \$100 shall, within 60 days of receipt, deliver the
30 gift to the legislative council for the purpose of displaying the gift in a public facility or selling
31 it at auction with the proceeds to go to the general fund;

1 (8) benefits received through state programs that are permissible under
2 AS 24.61.440;

3 (9) gifts that are not connected with the recipient's legislative status.

4 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
5 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

6 Sec. 24.61.220. RESTRICTIONS ON EARNED INCOME: OUTSIDE EMPLOYMENT
7 AND HONORARIA; FORMER LEGISLATORS AND LEGISLATIVE ASSISTANTS. (a) A
8 legislator or legislative assistant may not

9 (1) seek or accept compensation for personal services that involves payments that
10 are not commensurate with the services rendered taking into account the higher rates generally
11 charged by specialists in a profession; or

12 (2) accept a payment of anything of value, except for actual and necessary travel
13 and lodging expenses, for an appearance or speech connected with the legislator's or legislative
14 assistant's legislative status; any payment ^{above & beyond normal compensation} for an appearance or speech not connected with the
15 legislator's or legislative assistant's legislative status must be disclosed to the commission.

16 (b) A legislator or legislative assistant may not receive compensation for personal
17 services from ^{An Entity of the Alaska State Government} [a state entity] other than the legislature except as specifically provided in this
18 chapter or approved by the commission. A legislator or legislative assistant is not precluded by
19 this subsection from earning compensation from a position at a state-funded school or university,
20 provided that improper influence was not used to obtain the position.

21 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
22 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

23 Sec. 24.61.235. RESTRICTIONS ON FUND RAISING. (a) A candidate for the
24 legislature, including an incumbent legislator, may not accept money from an event held within
25 the capital city during a session of the legislature if a substantial purpose of the event is to raise
26 money on behalf of the member for state campaign purposes or for other state legislative political
27 purposes.

28 (b) This section does not apply to a candidate, including an incumbent legislator, seeking
29 to represent the capital city.

30 Sec. 24.61.240. ACCOUNTABILITY: WHISTLE BLOWING, AND PROTECTION OF
31 WHISTLE BLOWERS. A legislator or legislative employee may not, directly or indirectly,

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

1 (8) benefits received through state programs that are permissible under
2 AS 24.61.440;

3 (9) gifts that are not connected with the recipient's legislative status.

4 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
5 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

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8 legislator or legislative assistant may not

9 (1) seek or accept compensation for personal services that involves payments that
10 are not commensurate with the services rendered taking into account the higher rates generally
11 charged by specialists in a profession; or

12 (2) accept a payment of anything of value, except for actual and necessary travel
13 and lodging expenses, for an appearance or speech connected with the legislator's or legislative
14 assistant's legislative status; any payment for an appearance or speech not connected with the
15 legislator's or legislative assistant's legislative status must be disclosed to the commission.

16 (b) A legislator or legislative assistant may not receive compensation for personal
17 services from ^{above + beyond normal compensation} ~~a state entity~~ ^{an entity of the Alaska State Government} other than the legislature except as specifically provided in this
18 chapter or approved by the commission. A legislator or legislative assistant is not precluded by
19 this subsection from earning compensation from a position at a state-funded school or university,
20 provided that improper influence was not used to obtain the position.

21 (c) In extraordinary situations where the criteria for an exemption exists, a legislator or
22 legislative assistant may seek a waiver of a provision of this section under AS 24.61.530.

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25 the capital city during a session of the legislature if a substantial purpose of the event is to raise
26 money on behalf of the member for state campaign purposes or for other state legislative political
27 purposes.

28 (b) This section does not apply to a candidate, including an incumbent legislator, seeking
29 to represent the capital city.

30 Sec. 24.61.240. ACCOUNTABILITY: WHISTLE BLOWING, AND PROTECTION OF
31 WHISTLE BLOWERS. A legislator or legislative employee may not, directly or indirectly,

1 subject a person who reports to the commission or another government entity conduct the person
2 reasonably believes is a violation of this chapter or another state law, to reprisal, harassment, or
3 discrimination. A legislative employee who is discharged, disciplined, involuntarily transferred,
4 or otherwise penalized by a legislator or another legislative employee in violation of this
5 subsection may

6 (1) bring a complaint before the commission; and

7 (2) bring a separate civil action in the courts seeking damages, payment of back
8 wages, reinstatement, or other relief.

9 Sec. 24.61.250. ACCOUNTABILITY: OPENNESS AND OVERSIGHT. Legislators
10 shall abide by AS 44.62.310 - 44.62.312 (open meetings law).

11 Sec. 24.61.260. DISCRIMINATION PROHIBITED. A legislator or legislative employee
12 may not engage in acts of discrimination in violation of AS 18.80.220.

13 Sec. 24.61.270. PENALTIES. (a) A person who violates a provision of AS 24.61.100 -
14 24.61.260, or a regulation adopted under AS 24.61.100 - 24.61.260, is subject to civil sanctions
15 under AS 24.61.560(a).

16 (b) A person covered by this chapter who violates another law of the state with criminal
17 penalties is subject to prosecution under that law in addition to civil or criminal penalties
18 provided in this chapter.

19 ARTICLE 3. LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS.

20 Sec. 24.61.350. LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS. (a) A
21 legislator or legislative employee may establish a fund to assist with the payment of attorney fees
22 and other costs arising from the legislator's or employee's defense of a civil, criminal, or
23 administrative action brought against the legislator or employee and directly related to acts or
24 omissions of the legislator or employee while acting as a legislator or employee or while
25 campaigning for elective office, or from the prosecution or defense of an administrative or
26 judicial action concerning a contested election in which the legislator or employee is a candidate
27 Contributions to a fund under this section are not subject to the restrictions of AS 24.61.210.

28 (b) A legislator or legislative employee may establish a fund under this section before
29 litigation is actually commenced by or against the legislator or employee.

30 (c) The commission shall adopt regulations relating to the methods of establishing a fund
31 under this section, the accounting requirements for a fund, the uses for which moneys from the

1 fund may be expended, the disposition of surplus moneys in the fund, and establishing a
2 maximum amount that a person may contribute to a fund. A person who violates these
3 regulations is subject to civil sanctions under AS 24.61.560(a).

4 ARTICLE 4. REQUIRED DISCLOSURE.

5 Sec. 24.61.400. FINANCIAL DISCLOSURE BY LEGISLATORS, LEGISLATIVE
6 DIRECTORS, AND CANDIDATES FOR THE LEGISLATURE. A legislator, a candidate for
7 the legislature, and a legislative director shall file a disclosure statement, under oath and on
8 penalty of perjury, with the Alaska Public Offices Commission giving the following information
9 about the income received by them, their spouses, their dependent children, and their
10 nondependent children who are living with them:

11 (1) the information that a public official is required to report under AS 39.50.030,
12 except that sources of income other than gifts of \$1,000 or less and loans of \$1,000 or less need
13 not be reported;

14 (2) as to income in excess of \$1,000 received as compensation for personal
15 services, the name and address of the source of the income, and a statement describing the nature
16 of the services performed; if the source of income is known or reasonably should be known to
17 have a substantial interest in legislative, administrative, or political action and the recipient of
18 the income is a legislator, a candidate for the legislature, or a legislative director, the amount of
19 income received from the source shall be disclosed;

20 (3) as to each loan or loan guarantee over \$1,000 from a source with a substantial
21 interest in legislative, administrative, or political action, the name and address of the person
22 making the loan or guarantee, the amount of the loan, the terms and conditions under which the
23 loan or guarantee was given, the amount outstanding at the time of filing, and whether or not a
24 written loan agreement exists;

25 (4) gifts with a value of \$100 or more.

26 Sec. 24.61.410. DEADLINES FOR FILING OF DISCLOSURE STATEMENTS. A
27 legislator and a legislative director shall file an annual report with the Alaska Public Offices
28 Commission, covering the previous calendar year, containing the disclosures required by
29 AS 24.61.400, on or before April 15 of each year. A candidate for the legislature, including an
30 incumbent legislator, shall file a report with the Alaska Public Offices Commission containing
31 the disclosures required by AS 24.61.400 at the time required under AS 15.25.030 or 15.25.180,

1 except that a candidate who has filed an annual report under this section is not required to file
2 a second report for the same calendar year.

3 Sec. 24.61.420. ADMINISTRATION OF AS 24.61.400 - 24.61.426. The Alaska Public
4 Offices Commission shall

5 (1) adopt regulations to implement and interpret the provisions of AS 24.61.400 -
6 24.61.426;

7 (2) prepare standardized forms on which the statements required by AS 24.61.400
8 shall be filed; and

9 (3) examine, investigate, and compare all reports and statements required under
10 AS 24.61.400, and report all possible violations of this chapter it discovers to the commission.

11 Sec. 24.61.422. STATEMENTS AS PUBLIC RECORDS. A statement filed with the
12 Alaska Public Offices Commission under AS 24.61.400 is a public record. A person is not
13 required to comply with AS 24.61.400 to the extent that a court of competent jurisdiction of the
14 state determines that legally privileged professional relationships or constitutional privacy
15 considerations would be violated by compliance.

16 Sec. 24.61.424. CIVIL PENALTY FOR LATE FILING. A legislator, a candidate for
17 the legislature, or a legislative director who fails to file a properly completed report under
18 AS 24.61.400 is subject to a civil penalty of not more than \$10 a day for each day the
19 delinquency continues as the Alaska Public Offices Commission determines, subject to appeal
20 to the superior court. An affidavit stating facts in mitigation may be submitted to the Alaska
21 Public Offices Commission by the person against whom the civil penalty is assessed. However,
22 the imposition of the penalties prescribed in this section does not excuse the person from filing
23 reports required by AS 24.61.400.

24 Sec. 24.61.426. REMOVAL FROM BALLOT. In addition to the sanctions described in
25 AS 24.61.450, if the Alaska Public Offices Commission finds that a candidate for the legislature,
26 including an incumbent legislator, has failed to file a report under AS 24.61.400 by a deadline
27 established in AS 24.61.410, or has filed a report that is substantially incomplete or misleading,
28 it shall notify the lieutenant governor. The lieutenant governor shall return the candidate's filing
29 fee, shall remove the candidate's name from the filing records, and may not place the candidate's
30 name on the ballot.

31 Sec. 24.61.430. DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS. (a) A

1 legislator or a legislative assistant who has a close economic association with a lobbyist shall
 2 make a written disclosure of the association in confidence to the commission. The disclosure
 3 shall be made by February 15 of each year. If a legislator or legislative assistant is not in office
 4 or employed before February 15, or if the association did not exist before February 15, the
 5 disclosure shall be made within 30 days after taking office or being employed or after the
 6 creation of the association.

7 (b) The written disclosure must state the name of the persons involved, the nature of the
 8 association, and a brief narrative of the matters the legislator or legislative assistant is working
 9 on that could create an actual conflict of interest. If the commission requests additional
 10 information necessary to determine whether the nature of the association creates a conflict of
 11 interest, it shall be promptly provided.

12 (c) The commission shall make a determination as to whether the association creates a
 13 conflict of interest that warrants restrictions or disclosure. After making the determination, the
 14 commission may elect to

- 15 (1) keep the matter confidential;
- 16 (2) recommend some restriction in the activities; or
- 17 (3) order full or partial disclosure in the journal of the appropriate body.

18 Sec. 24.61.440. PARTICIPATION IN STATE PROGRAMS; REQUIRED
 19 DISCLOSURES. (a) A legislator or legislative employee may, without disclosure to the
 20 commission, participate in a statewide benefit program or receive a loan from the state if the
 21 program or loan is generally available to members of the public, is subject to fixed, objective
 22 eligibility standards, and requires minimal discretion in determining qualification.

23 (b) The commission shall review annually state programs and state loans and publish a
 24 list of programs and loans, designating which ones meet the standards of (a) of this section.

25 (c) A legislator or legislative employee who participates in a program or receives a loan
 26 that is not exempt from disclosure under (a) of this section shall file a written report with the
 27 commission by February 15 of each year stating the amounts of the loans outstanding or benefits
 28 received during the preceding calendar year from nonqualifying programs. If the commission
 29 requests additional information necessary to determine the propriety of participating in the
 30 program or receiving the loan, it shall be promptly provided. The commission shall promptly
 31 compile a list of the statements indicating the loans and programs and amounts and send it to the