

ALASKA LEGISLATURE

1519

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

1 (A) to aid candidates for public office or groups that support
2 or oppose candidates for public office;

3 (B) to a political party or to an organization affiliated with
4 a political party; or

5 (C) to a group, as that term is defined in AS 15.13.400, or a
6 political group, as that term is defined in AS 15.60, that seeks to influence
7 the outcome of an election.

8 * Sec. 3. AS 15.13.010(a) is amended to read:

9 (a) This chapter applies

10 (1) in every election for governor, lieutenant governor, a member of the
11 state legislature, a delegate to a constitutional convention, or judge seeking electoral
12 confirmation;

13 (2) [IT ALSO APPLIES] to every candidate for election to a municipal
14 office in a municipality with a population of more than 1,000 inhabitants according to
15 the latest United States census figures or estimates of population certified as correct for
16 administrative purposes by the Department of Community and Regional Affairs unless
17 the municipality has exempted itself from the provisions of this chapter; a [A]
18 municipality may exempt its elected municipal officers from the requirements of this
19 chapter if a majority of the voters voting on the question at a regular election, as defined
20 by AS 29.71.800(20), or a special municipality-wide election called for that purpose,
21 votes [VOTE] to exempt its elected municipal officers from the requirements of this
22 chapter; the [THE] question of exemption from the requirements of this chapter may
23 be submitted by the governing body by ordinance or by initiative election [THIS
24 CHAPTER DOES NOT PROHIBIT A MUNICIPALITY FROM REGULATING BY
25 ORDINANCE CAMPAIGN CONTRIBUTIONS AND EXPENDITURES]

26 * Sec. 4. AS 15.13.010 is amended by adding a new subsection to read

27 (c) This chapter does not prohibit a municipality from regulating by ordinance
28 election campaign contributions and expenditures in municipal elections, or from
29 regulating those campaign contributions and expenditures more strictly than provided in
30 this chapter.

31 * Sec. 5. AS 15.13.010(a) is amended to read

32 (a) Except as provided in (g) of this section, each [EACH] candidate shall

1 make a full report, upon a form prescribed by the commission, listing the date and
2 amount of all expenditures made by the candidate, the total amount of all contributions,
3 including all funds contributed by the candidate, and for all contributions in excess of
4 \$100 in the aggregate a year, the name, address, principal occupation, and employer of
5 the contributor and the date and amount contributed by each contributor. The report
6 shall be filed in accordance with AS 15.13.110 and shall be certified correct by the
7 candidate or campaign treasurer.

8 • Sec. 6. AS 15.13.040(d) is amended to read:

9 (d) Every individual, person, or group making a contribution or expenditure shall
10 make a full report, upon a form prescribed by the commission, of the following
11 contributions or expenditures:

12 (1) any contribution of cash, goods, or services valued at more than \$250
13 a year to any group or candidate; or

14 (2) unless exempted from reporting by (h) of this section, any
15 expenditure whatsoever for advertising in newspapers or other periodicals, on radio, or
16 on television; or, for the publication, distribution, or circulation of brochures, flyers, or
17 other campaign material for any candidate or ballot proposition or question

18 • Sec. 7. AS 15.13.040 is amended by adding new subsections to read:

19 (g) The provisions of (a) of this section do not apply if a candidate

20 (1) indicates, on a form prescribed by the commission, an intent not to
21 raise and not to expend more than \$2,500 in seeking election to office, including both
22 the primary and general elections.

23 (2) accepts contributions totaling not more than \$2,500 in seeking
24 election to office, including both the primary and general elections; and

25 (3) makes expenditures totaling not more than \$2,500 in seeking
26 election to office, including both the primary and general elections

27 (h) The provisions of (d)(2) of this section do not apply to one or more
28 expenditures made by an individual acting independently of any group and
29 independently of any other individual if the expenditures

30 (1) cumulatively do not exceed \$250 during a calendar year, and

31 (2) are made only for billboards, signs, or printed material concerning
32 a ballot proposition or question

1 • Sec. 8. AS 15.13.050 is amended to read:

2 Sec. 15.13.050. REGISTRATION BEFORE EXPENDITURE [GROUPS].

3 (a) Before [EACH GROUP, BEFORE] making an expenditure in support [ON
4 BEHALF] of [,] or in opposition to [,] a candidate or before making an expenditure
5 in support of or in opposition to a ballot proposition or question, each person other
6 than an individual [A CONTRIBUTION TO A CANDIDATE] shall register, on forms
7 provided by the commission, with the commission.

8 (b) If a [THE] group intends to support [OR OPPOSE] only one candidate, or
9 to contribute to or expend on behalf of [, OR IN OPPOSITION TO,] one candidate
10 33.33 [50] percent or more of its funds, the name of the candidate shall be a part of the
11 name of the group. If the group intends to oppose only one candidate, or to
12 contribute its funds in opposition to or make expenditures in opposition to a
13 candidate, the name of the candidate whom the group opposes may not appear
14 as a part of the name of the group. Promptly upon receiving the registration, the
15 commission shall notify the candidate of the group's organization and intent.

16 • Sec. 9. AS 15.13 is amended by adding new sections to read:

17 Sec. 15.13.065. WHO MAY MAKE CONTRIBUTIONS. (a) Individuals,
18 groups, and political parties may make contributions to a candidate. An individual may
19 make a contribution to a group or to a political party.

20 (b) A political party may contribute to a subordinate unit of the political party,
21 and a subordinate unit of a political party may contribute to the political party of
22 which it is a subordinate unit.

23 Sec. 15.13.067. WHO MAY MAKE EXPENDITURES. Only the following
24 may make an expenditure in an election for candidates for elective office:

- 25 (1) the candidate;
- 26 (2) an individual, and
- 27 (3) a group that has registered under AS 15.13.050.

28 • Sec. 10. AS 15.13.070 is repealed and reenacted to read:

29 Sec. 15.13.070. LIMITATIONS ON AMOUNT OF POLITICAL
30 CONTRIBUTIONS. (a) An individual or group may make contributions, subject only
31 to the limitations of this chapter and AS 24.45, including the limitations on the
32 maximum amounts set out in this section.

1 (b) An individual may contribute not more than
2 (1) \$500 per year to a candidate, to an individual who conducts a write-
3 in campaign as a candidate, or to a group that is not a political party;

4 (2) \$5,000 per year to a political party.

5 (c) A group that is not a political party may contribute not more than \$1,000
6 per year

7 (1) to a candidate, or to an individual who conducts a write-in
8 campaign as a candidate; or

9 (2) to another group or to a political party.

10 (d) A political party may contribute to a candidate, or to an individual who
11 conducts a write-in campaign, for the following offices an amount not to exceed

12 (1) \$100,000 per year, if the election is for governor or lieutenant
13 governor;

14 (2) \$15,000 per year, if the election is for the state senate;

15 (3) \$10,000 per year, if the election is for the state house of
16 representatives; and

17 (4) \$5,000 per year, if the election is for

18 (A) delegate to a constitutional convention;

19 (B) judge seeking retention; or

20 (C) municipal office.

21 * Sec. 11. AS 15.13 is amended by adding new sections to read:

22 Sec. 15.13.072. RESTRICTIONS ON SOLICITATION AND ACCEPTANCE
23 OF CONTRIBUTIONS. (a) A candidate or an individual who has filed with the

24 commission the document necessary to permit that individual to incur election-related
25 expenses under AS 15.13.100 may not solicit or accept a contribution from

26 (1) a person not authorized by law to make a contribution;

27 (2) an individual who is not a resident of the state at the time the
28 contribution is made except as provided in (c) of this section.

29 (3) a group organized under the laws of another state, resident in
30 another state, or whose participants are not residents of this state at the time the
31 contribution is made, or

1 (4) a person registered as a lobbyist if the contribution violates
2 AS 15.13.074(g) or AS 24.45.121(a)(8).

3 (b) A candidate or an individual who has filed with the commission the
4 document necessary to permit the individual to incur election-related expenses under
5 AS 15.13.100, or a group, may not solicit or accept a cash contribution that exceeds
6 \$100.

7 (c) An individual, or one acting directly or indirectly on behalf of that
8 individual, may not solicit or accept a contribution

9 (1) before the date for which contributions may be made as determined
10 under AS 15.13.074(c)(1) - (3); or

11 (2) later than the day after which contributions may not be made as
12 determined under AS 15.13.074(c)(4).

13 (d) A candidate or an individual who has filed with the commission the
14 document necessary to permit that individual to incur election-related expenses under
15 AS 15.13.100 may not solicit or accept a contribution if the legislature is convened in
16 a regular or special legislative session, and the candidate or individual is a member of
17 the legislature, or employed as a member of the legislator's staff or as a member of
18 the staff of a legislative committee.

19 (e) A candidate or an individual who has filed with the commission the
20 document necessary to permit that individual to incur election-related expenses under
21 AS 15.13.100 may solicit or accept contributions from an individual who is not a
22 resident of the state at the time the contribution is made if the amounts contributed by
23 individuals who are not residents do not exceed

24 (1) \$20,000, if the candidate or individual is seeking the office of
25 governor or lieutenant governor,

26 (2) \$5,000, if the candidate or individual is seeking the office of state
27 senator,

28 (3) \$3,000, if the candidate or individual is seeking the office of state
29 representative or municipal or other office.

30 (f) A group or political party may solicit or accept contributions from an
31 individual who is not a resident of the state at the time the contribution is made, but

1 the amounts accepted from individuals who are not residents may not exceed 10
2 percent of total contributions made to the group or political party during the calendar
3 or group year in which the contributions are received.

4 Sec. 15.13.074. PROHIBITED CONTRIBUTIONS. (a) A person or group
5 may not make a contribution if the making of the contribution would violate this
6 chapter.

7 (b) A person or group may not make a contribution anonymously, using a
8 fictitious name, or using the name of another.

9 (c) A person or group may not make a contribution

10 (1) to a candidate for governor or lieutenant governor or an individual
11 who files with the commission the document necessary to permit that individual to
12 incur certain election-related expenses as authorized by AS 15.13.100 for governor or
13 lieutenant governor, when the office is to be filled at a general election, before the
14 later of the following dates:

15 (A) the date the individual

16 (i) becomes a candidate; or

17 (ii) files with the commission the document necessary
18 to permit the individual to incur certain election-related expenses as
19 authorized by AS 15.13.100, or

20 (B) January 1 of the year of the general election.

21 (2) to a candidate for the state legislature or an individual who files
22 with the commission the document necessary to permit that individual to incur certain
23 election-related expenses as authorized by AS 15.13.100 for the state legislature, when
24 the office is to be filled at a general election, while the legislature is convened in its
25 regular legislative session and before the later of the following dates:

26 (A) the date the individual

27 (i) becomes a candidate; or

28 (ii) files with the commission the document necessary
29 to permit the individual to incur certain election-related expenses as
30 authorized by AS 15.13.100, or

31 (B) January 1 of the year of the general election.

1 (3) to a candidate or an individual who files with the commission the
2 document necessary to permit that individual to incur certain election-related expenses
3 as authorized by AS 15.13.100 for an office that is to be filled at a special election or
4 municipal election before the later of the following dates:

5 (A) the date the individual

6 (i) becomes a candidate; or

7 (ii) files with the commission the document necessary
8 to permit that individual to incur certain election-related expenses as
9 authorized by AS 15.13.100;

10 (B) is nine months before the date of the general or regular
11 municipal election or that is before the date of the proclamation of the special
12 election at which the candidate or individual seeks election to public office; or

13 (4) to any candidate later than the 45th day

14 (A) after the date of a primary election if the candidate

15 (i) has been nominated at the primary election or is
16 running as a write-in candidate; and

17 (ii) is not opposed at the general election;

18 (B) after the date of the primary election if the candidate was
19 not nominated at the primary election; or

20 (C) after the date of the general election, or after the date of a
21 municipal or municipal runoff election, if the candidate was opposed at the
22 general, municipal, or municipal runoff election.

23 (d) A person or group may not make a contribution to a candidate or a person
24 or group who is prohibited by AS 15.13.072(c) from accepting it.

25 (e) A person or group may not make a cash contribution that exceeds \$100.

26 (f) A corporation, company, partnership, firm, association, organization,
27 business trust or surety, labor union, or publicly funded entity that does not satisfy the
28 definition of group in AS 15.13.300 may not make a contribution to a candidate or
29 group.

30 (g) An individual required to register as a lobbyist under AS 24.45 may not
31 make a contribution to a candidate for the legislature at any time the individual is

1 subject to the registration requirement under AS 24.45 and for one year after the date
2 of the individual's initial registration or its renewal. However, the individual may
3 make a contribution under this section to a candidate for the legislature in a district in
4 which the individual is eligible to vote or will be eligible to vote on the date of the
5 election. An individual who is subject to the restrictions of this subsection shall report
6 to the commission, on a form provided by the commission, each contribution made
7 while required to register as a lobbyist under AS 24.45. This subsection does not
8 apply to a representational lobbyist as defined in regulations of the commission.

9 (h) Notwithstanding AS 15.13.070, a candidate for governor or lieutenant
10 governor and a group that is not a political party and that, under the definition of the
11 term "group," is presumed to be controlled by a candidate for governor or lieutenant
12 governor, may not make a contribution to a candidate for another office, to a person
13 who conducts a write-in campaign as a candidate for other office, or to another group
14 of amounts received by that candidate or controlled group as contributions between
15 January 1 and the date of the general election of the year of a general election for an
16 election for governor and lieutenant governor. This subsection does not prohibit

17 (1) the group described in this subsection from making contributions
18 to the candidates for governor and lieutenant governor whom the group supports; or

19 (2) the governor or lieutenant governor, or the group described in this
20 subsection, from making contributions under AS 15.13.116(a)(3)(A).

21 Sec. 15.13.076. AUTHORIZED RECIPIENTS OF CONTRIBUTIONS. A
22 contribution to a

23 (1) candidate may be received only by

24 (A) the candidate; or

25 (B) the candidate's campaign treasurer or a deputy campaign
26 treasurer;

27 (2) group may be received only by the group's campaign treasurer or a
28 deputy treasurer.

29 Sec. 15.13.078. CONTRIBUTIONS AND LOANS FROM THE CANDIDATE.

30 (a) The provisions of this chapter do not prohibit the individual who is a candidate from
31 giving any amount of the candidate's own money or other thing of value to the campaign
32 of the candidate. Donations made by the candidate to the candidate's own campaign

1 shall be reported as contributions in accordance with AS 15.13.040 and 15.13.110.

2 (b) The provisions of this chapter do not prohibit the individual who is a
3 candidate from lending any amount to the campaign of the candidate. Loans made by
4 the candidate shall be reported as contributions in accordance with AS 15.13.040 and
5 15.13.110. However, the candidate may not

6 (1) recover, under this section and AS 15.13.116(a)(5), the amount of a
7 loan made by the candidate to the candidate's own campaign that exceeds

8 (A) \$25,000, if the candidate ran for governor or lieutenant
9 governor;

10 (B) \$10,000, if the candidate ran for

11 (i) the legislature; or

12 (ii) delegate to a constitutional convention;

13 (C) \$10,000, if the candidate was a judge seeking retention;

14 (D) \$5,000, if the candidate ran in a municipal election; or

15 (2) repay a loan that the candidate has made to the candidate's own
16 campaign unless, within five days of making the loan, the candidate notifies the
17 commission, on a form provided by the commission, of the candidate's intention to repay
18 the loan under AS 15.13.116(a)(5).

19 (c) On and after the date determined under AS 15.13.110 as the last day of the
20 period ending three days before the due date of the report required to be filed under
21 AS 15.13.110(a)(1) and until the date of the election for which the report is filed, a
22 candidate may not give or loan to the candidate's campaign the candidate's money or
23 other thing of value of the candidate in an amount that exceeds \$5,000.

24 (d) The provisions of this section apply only to the individual who is a
25 candidate, as that term is defined by AS 15.13.400(1)(A), and do not apply to authorize
26 a contribution or loan under this section by an individual described in the definition of
27 the term "candidate" under AS 15.13.400(1)(B).

28 * Sec. 12. AS 15.13.080 is amended to read:

29 Sec. 15.13.080. STATEMENT BY CONTRIBUTOR (a) Each of the
30 following shall file statements as required by this section;

31 (1) an individual who contributes to a candidate

32 (A) more than [A PERSON OR GROUP CONTRIBUTING TO

1 A CANDIDATE OVER] \$250; or

2 (B) [CONTRIBUTING] goods or services [TO A CANDIDATE]
3 with a value of more than \$250;

4 (2) an individual who, during the period between the 90th day before
5 an election and the date of the election, contributes to more than one group and
6 whose aggregate contributions to all groups, in money or in the value of goods and
7 services, or both, exceed \$1,000 per year [TO INFLUENCE THE ELECTION OF A
8 CANDIDATE SHALL FURNISH THE COMMISSION A SIGNED STATEMENT, ON
9 A FORM MADE AVAILABLE BY THE COMMISSION].

10 (b) An individual required to file a contributor's statement under (a) of this
11 section shall file on a form made available by the commission. The statement must

12 (1) identify the contributor and the candidate and all groups
13 receiving contributions;

14 (2) [SHALL] itemize the contributions and goods; and

15 (3) state that the contributor is not [A PERSON OR GROUP] prohibited
16 by law from contributing and that the contribution consists of funds or property
17 belonging to the contributor and has not been given or furnished by another person or
18 group.

19 (c) The contributor's statement shall be filed with the commission by the
20 contributor no later than 10 days after the contribution is made. [A COPY OF THE
21 STATEMENT SHALL BE FURNISHED THE CANDIDATE, CAMPAIGN
22 TREASURER, OR DEPUTY CAMPAIGN TREASURER AT THE TIME THE
23 CONTRIBUTION IS MADE.]

24 * Sec. 13. AS 15.13 is amended by adding new sections to read:

25 Sec. 15.13.082. LIMITATIONS ON EXPENDITURES. (a) A candidate or
26 group may not make an expenditure in cash that exceeds \$100 unless the candidate, or
27 the campaign treasurer or deputy campaign treasurer, obtains from the person to whom
28 the expenditure is made a written receipt and files a copy of the receipt with the
29 commission.

30 (b) A candidate or group may not make an expenditure unless the source of the
31 expenditure has been disclosed as required by this chapter.

32 (c) If a candidate receives a contribution in the form of cash, check, money

1 order, or other negotiable instrument and is subject to being reported to the commission
2 under this chapter, the candidate may neither expend the contribution nor, in the case of
3 a negotiable instrument, convert it to cash unless the candidate, campaign treasurer, or
4 deputy campaign treasurer first records the following information for disclosure to the
5 commission:

6 (1) the name, address, principal occupation, and employer of the
7 contributor; and

8 (2) the date and amount of the contribution.

9 Sec. 15.13.084. PROHIBITED EXPENDITURES. A person may not make an
10 expenditure

11 (1) anonymously, unless the expenditure is

12 (A) paid for by an individual acting independently of any group
13 and independently of any other individual;

14 (B) made to influence the outcome of a ballot proposition or
15 question; and

16 (C) made for

17 (i) a billboard or sign; or

18 (ii) printed material, other than an advertisement made in
19 a newspaper or other periodical;

20 (2) using a fictitious name or using the name of another.

21 Sec. 15.13.086. AUTHORIZED MAKERS OF EXPENDITURES. An
22 expenditure

23 (1) authorized by or in behalf of a candidate may be made only by

24 (A) the candidate; or

25 (B) the candidate's campaign treasurer or a deputy campaign
26 treasurer;

27 (2) authorized by AS 15.13.067(3) by or in behalf of a group may be
28 made only by the group's campaign treasurer

29 * Sec. 14. AS 15.13.090 is amended by adding a new subsection to read:

30 (b) The provisions of (a) of this section do not apply when the advertisement

31 (1) is paid for by an individual acting independently of any group and
32 independently of any other individual.

1 (2) is made to influence the outcome of a ballot proposition or question;

2 and

3 (3) is made for

4 (A) a billboard or sign; or

5 (B) printed material other than an advertisement made in a
6 newspaper or other periodical.

7 * Sec. 15. AS 15.13.110(a) is amended to read:

8 (a) Each candidate and group shall make a full report in accordance with
9 AS 15.13.040 for the period ending three days before the due date of the report and
10 beginning on the last day covered by the most recent previous report. If the report is a
11 first report, it shall cover the period from the beginning of the campaign to the date three
12 days before the due date of the report. If the report is a report due February 15, it shall
13 cover the period beginning on the last day covered by the most recent previous report
14 or on the day that the campaign started, whichever is later, and ending on December 31
15 of the prior year. The report shall be filed

16 (1) 30 days before the election; however, this report is not required if the
17 deadline for filing a nominating petition or declaration of candidacy is within 30 days
18 of the election;

19 (2) one week before the election;

20 (3) 10 days after the election; and

21 (4) February 15 for expenditures made and contributions received that
22 were not reported during the previous year, including, if applicable, all amounts
23 expended from a legislative office account established under AS 15.13.116(a)(9) and
24 all amounts expended from a municipal office account under AS 15.13.116(a)(10),
25 or when expenditures were not made or contributions were not received during the
26 previous year.

27 * Sec. 16. AS 15.13.110(b) is amended to read:

28 (b) Each contribution [OR EXPENDITURE] that exceeds \$250 and that is made
29 within nine days of the election shall be reported to the commission by date, amount, and
30 contributor [OR RECIPIENT] within 24 hours of receipt [OR EXPENDITURE] by the
31 candidate, group, [OR] campaign treasurer, or deputy campaign treasurer.

32 * Sec. 17. AS 15.13.110(c) is amended to read:

1 (c) [THE REPORTS OF CANDIDATES SHALL BE FILED WITH THE
2 COMMISSION'S CENTRAL OFFICE.] All reports required by this chapter shall be
3 filed with the commission's central office and shall be kept open to public inspection.
4 Within 30 days after each election, the commission shall prepare a summary of each
5 report which shall be made available to the public at cost upon request. Each summary
6 shall use uniform categories of reporting.

7 * Sec. 18. AS 15.13 is amended by adding new sections to read:

8 Sec. 15.13.112. USES OF CAMPAIGN CONTRIBUTIONS HELD BY
9 CANDIDATE OR GROUP. (a) Except as otherwise provided, campaign contributions
10 held by a candidate or group may be used only to pay the expenses of the candidate or
11 group, and the campaign expenses incurred by the candidate or group, that reasonably
12 relate to election campaign activities, and in those cases only as authorized by this
13 chapter.

14 (b) Campaign contributions held by a candidate or group may not be

15 (1) used to give a personal benefit to the candidate or to another person;

16 (2) converted to personal income of the candidate;

17 (3) loaned to a person;

18 (4) knowingly used to pay more than the fair market value for goods or
19 services purchased for the campaign;

20 (5) used to pay a criminal fine;

21 (6) used to pay civil penalties; however, campaign contributions held by
22 a candidate or group may be used to pay a civil penalty assessed under this chapter if
23 authorized by the commission or a court after it first determines that

24 (A) the candidate, campaign treasurer, and deputy campaign
25 treasurer did not cause or participate in the violation for which the civil penalty
26 is imposed and exercised a reasonable level of oversight over the campaign; and

27 (B) the candidate, campaign treasurer, and deputy campaign
28 treasurers cooperated in the revelation of the violation and in its immediate
29 correction; or

30 (7) used to make contributions to another candidate or to a group.

31 Sec. 15.13.114. DISPOSITION OF PROHIBITED CONTRIBUTIONS. (a) A
32 candidate or group that receives and accepts a contribution given in violation of

1 AS 15.13.072 or 15.13.074 shall immediately, upon discovery that the contribution is
2 prohibited, return it to the contributor. A candidate or group that receives and accepts
3 a contribution in excess of the limitation on contributions set out in AS 15.13.070 shall
4 immediately, upon discovery of the prohibited excess contribution, return the excess to
5 the contributor. If the contribution or excess amount cannot be returned in the same
6 form, the equivalent value of the contribution or excess amount shall be returned.

7 (b) An anonymous contribution is forfeited to the state unless the contributor is
8 identified within five days of its receipt. Money that forfeits to the state under this
9 subsection shall be delivered immediately to the Department of Revenue for deposit in
10 the general fund.

11 Sec. 15.13.116. DISBURSEMENT OF CAMPAIGN ASSETS AFTER
12 ELECTION. (a) A candidate who, after the date of the general, special, municipal, or
13 municipal runoff election or after the date the candidate withdraws as a candidate,
14 whichever comes first, holds unused campaign contributions shall distribute the amount
15 held within 90 days. The distribution may only be made to

16 (1) pay bills incurred for expenditures reasonably related to the campaign
17 and the winding up of the affairs of the campaign, and to pay expenditures associated
18 with post-election fund raising that may be needed to raise funds to pay off campaign
19 debts;

20 (2) pay for a victory or a thank you party costing less than \$500, or to
21 give a thank you gift of a value of less than \$50 to a campaign employee or volunteer.

22 (3) make donations, without condition, to

23 (A) a political party;

24 (B) the state's general fund;

25 (C) a municipality of the state; or

26 (D) the federal government;

27 (4) make donations, without condition, to organizations qualified as
28 charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not
29 controlled by the candidate or a member of the candidate's immediate family;

30 (5) repay loans from the candidate to the candidate's own campaign
31 under AS 15.13.075(b);

32 (6) repay contributions to contributors, but only if repayment of the

1 contribution is made pro rata in approximate proportion to the contributions made using
2 one of the following, as the candidate determines:

3 (A) to all contributors;

4 (B) to contributors who have contributed most recently; or

5 (C) to contributors who have made larger contributions;

6 (7) establish a fund for, and from that fund to pay, attorney fees or costs
7 incurred in the prosecution or defense of an administrative or civil judicial action that
8 directly concerns a challenge to the victory or defeat of the candidate in the election;

9 (8) transfer all or a portion of the unused campaign contributions to an
10 account for a future election campaign; a transfer under this paragraph is limited to

11 (A) \$50,000, if the transfer is made by a candidate for governor
12 or lieutenant governor;

13 (B) \$10,000, if the transfer is made by a candidate for the state
14 senate;

15 (C) \$5,000, if the transfer is made by a candidate for the state
16 house of representatives; and

17 (D) \$5,000, if the transfer is made by a candidate for an office
18 not described in (A) - (C) of this paragraph;

19 (9) transfer all or a portion of the unused campaign contributions to a
20 legislative office account; a transfer under this paragraph is subject to the following.

21 (A) the authority to transfer is limited to candidates who are
22 elected to the state legislature;

23 (B) the legislative office account established under this paragraph
24 may be used only for expenses associated with the candidate's serving as a
25 member of the legislature;

26 (C) all amounts expended from the legislative office account shall
27 be annually accounted for under AS 15.13.110(a)(4); and

28 (D) a transfer under this paragraph is limited to \$2,500 per
29 election district represented by the candidate elected to the state legislature
30 multiplied by the number of years in the term to which the candidate is elected,
31 and

32 (10) transfer all or a portion of the unused campaign contributions to

1 a municipal office account; a transfer under this paragraph is subject to the following:

2 (A) the authority to transfer is limited to candidates who are
3 elected to municipal office, including a municipal school board;

4 (B) the municipal office account established under this
5 paragraph may be used only for expenses associated with the candidate's
6 serving as mayor or as a member of the assembly, city council, or school
7 board;

8 (C) all amounts expended from the municipal office account
9 shall be annually accounted for under AS 15.13.110(a)(4); and

10 (D) a transfer under this paragraph is limited to \$5,000.

11 (b) After a general, special, municipal, or municipal runoff election, a candidate
12 may retain the ownership of one computer and one printer and of personal property,
13 except money, that was acquired by and for use in the campaign. The current fair
14 market value of the property retained, exclusive of the computer and printer, may not
15 exceed \$2,500. All other property shall be disposed of, or sold and the sale proceeds
16 disposed of, in accordance with (a) or (c) of this section.

17 (c) Property remaining after disbursements are made under (a) - (b) of this
18 section is forfeited to the state. Within 30 days, the candidate shall deliver the property
19 to the Department of Revenue. The Department of Revenue shall deposit any money
20 received into the general fund and dispose of any other property in accordance with law.

21 * Sec. 19. AS 15.13.120(d) is repealed and reenacted to read:

22 (d) A member of the commission, the commission's executive director, or a
23 person who believes a violation of this chapter or a regulation adopted under this chapter
24 has occurred or is occurring may file an administrative complaint with the commission
25 within four years of the date of the alleged violation. If a member of the commission
26 has filed the complaint, that member may not participate as a commissioner in any
27 proceeding of the commission with respect to the complaint. If the commission accepts
28 the complaint and opens a preliminary investigation, it shall do so within 90 days of the
29 filing date of the complaint and shall investigate the complaint. After affording the
30 respondent notice and an opportunity to be heard, if the commission finds that the
31 respondent has engaged in or is about to engage in an act or practice that constitutes or
32 will constitute a violation of this chapter or a regulation adopted under it, the commission

1 shall enter an order requiring the violation to be ceased or to be remedied, and shall
2 assess civil penalties under AS 15.13.125. A commission order may be appealed to the
3 superior court by either the complainant or respondent within 30 days. The commission
4 or the commission's executive director shall promptly report to the attorney general
5 concerning any acts or practices that may constitute violations of this chapter or
6 regulations adopted under this chapter, or concerning the violation of any order of the
7 commission.

8 • Sec. 20. AS 15.13.120(e) is repealed and reenacted to read:

9 (e) If the commission does not open a preliminary investigation within 90 days
10 of the filing date of the complaint or complete action on the complaint within 180 days
11 of the filing, the complainant may file a complaint in superior court alleging a violation
12 of this chapter by a respondent in the administrative complaint. The complainant may
13 provide copies of the complaint filed in the superior court to the commission and the
14 attorney general. The state may intervene in a timely manner. A complaint may not be
15 filed in superior court under this subsection if more than two years have elapsed from
16 the date of the alleged violation. This subsection does not create a private cause of
17 action against the commission.

18 • Sec. 21. AS 15.13.125 is amended to read:

19 Sec. 15.13.125. CIVIL PENALTY: LATE FILING OF REQUIRED REPORTS.

20 A person who fails to file a properly completed and certified report within the time
21 required by AS 15.13.040(d) - (f), 15.13.050, 15.13.060(b) - (d), 15.13.080(c)
22 [AS 15.13.040(f), 15.13.110(a)(1), (3), or (4), (e), or (f) [OR 15.13.110(f)] is subject
23 to a civil penalty of not more than \$50 [\$10] a day for each day the delinquency
24 continues as determined by the commission subject to right of appeal to the superior
25 court. A person who fails to file a properly completed and certified report within the
26 time required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not
27 more than \$500 [\$50] a day for each day the delinquency continues as determined by the
28 commission subject to right of appeal to the superior court. A person who violates a
29 provision of this chapter, except a provision requiring filing of a report within a
30 time required as otherwise specified in this subsection, is subject to a civil penalty
31 of not more than \$50 a day for each day the violation continues as determined by
32 the commission, subject to right of appeal to the superior court. An affidavit stating

1 facts in mitigation may be submitted to the commission by a person against whom a civil
2 penalty is assessed. However, the imposition of the penalties prescribed in this section
3 or in AS 15.13.120 does not excuse that person from filing reports required by this
4 chapter.

5 • Sec. 22. AS 15.13.125 is amended by adding new subsections to read:

6 (b) When an administrative complaint has been filed under AS 15.13.120(d), the
7 commission shall give the respondent due notice and an opportunity to be heard. If, at
8 the conclusion of the hearing, the commission determines that the respondent engaged
9 in the alleged violation, the commission shall assess

- 10 (1) civil penalties under (a) of this section;
- 11 (2) the commission's costs of investigation and adjudication; and
- 12 (3) reasonable attorney fees.

13 (c) The commission's determination under (b) of this section may be appealed
14 to the superior court under AS 44.62 (Administrative Procedure Act).

15 (d) When an action has been filed in the superior court under AS 15.13.120(e),
16 upon proof of the violation, the court shall enter a judgment in the amount of the civil
17 penalty authorized to be collected by (a) of this section.

18 (e) If the commission or superior court finds that the violation was not a repeat
19 violation or was not part of a series or pattern of violations, was inadvertent, was quickly
20 corrected, and had no adverse effect on the campaign of another, the commission or the
21 court may

- 22 (1) suspend imposition of the penalties; and
- 23 (2) order the penalties set aside if the person does not engage in a similar
24 violation for a period of one year.

25 (f) A party who has filed a civil action under AS 15.13.120(e)

- 26 (1) is not entitled to trial by jury on the civil action
- 27 (2) is not entitled to be represented by legal counsel at public expense.

28 • Sec. 23. AS 15.13 is amended by adding new sections to read:

29 Sec. 15.13.135. INDEPENDENT EXPENDITURES FOR OR AGAINST
30 CANDIDATES (a) Only an individual or group may make an independent
31 expenditure supporting or opposing a candidate for election to public office. An
32 independent expenditure supporting or opposing a candidate for election to public

1 office shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110
2 and other requirements of this chapter.

3 (b) An individual or group who makes independent expenditures for a mass
4 mailing, for distribution of campaign literature of any sort, for a television, radio,
5 newspaper or magazine advertisement, or any other communication that supports or
6 opposes a candidate for election to public office

7 (1) shall comply with AS 15.13.090, and

8 (2) shall place the following statement in the mailing, literature,
9 advertisement, or other communication so that it is readily and easily discernible:

10 This NOTICE TO VOTERS is required by Alaska law. (I/we)
11 certify that this (mailing/literature/advertisement) is not authorized, paid
12 for, or approved by the candidate.

13 **Sec. 15.13.137. RESTRICTIONS ON CONTRIBUTIONS TO INDIVIDUALS**
14 **MAKING INDEPENDENT EXPENDITURES FOR OR AGAINST CANDIDATES.**

15 An individual who makes an independent expenditure supporting or opposing a
16 candidate may not accept a contribution to help pay for the expenditure from another
17 individual or group that exceeds the amount an individual may contribute to a group
18 under AS 15.13.090(a)(2).

19 **Sec. 15.13.140. INDEPENDENT EXPENDITURES FOR OR AGAINST**
20 **BALLOT PROPOSITION OR QUESTION.** (a) This chapter does not prohibit a
21 person from making independent expenditures in support of or in opposition to a ballot
22 proposition or question.

23 (b) An independent expenditure for or against a ballot proposition or question

24 (1) shall be reported in accordance with AS 15.13.040 and 15.13.100 -
25 15.13.110 and other requirements of this chapter, and

26 (2) may not be made if the expenditure is prohibited by AS 15.13.145.

27 **Sec. 15.13.145. MONEY OF THE STATE AND ITS POLITICAL**
28 **SUBDIVISIONS.** (a) Except as provided in (b) and (c) of this section, each of the
29 following may not use money held by the entity to influence the outcome of the
30 election of a candidate to a state or municipal office:

31 (1) the state, its agencies, and its corporations.

- 1 (2) the University of Alaska and its Board of Regents;
2 (3) municipalities, school districts, and regional educational attendance
3 areas, or another political subdivision of the state; and
4 (4) an officer or employee of an entity identified in (1) - (3) of this
5 subsection.

6 (b) Money held by an entity identified in (a)(1) - (3) of this section may be
7 used to influence the outcome of an election concerning a ballot proposition or
8 question, but only if the funds have been specifically appropriated for that purpose by
9 a state law or a municipal ordinance.

10 (c) Money held by an entity identified in (a)(1) - (3) of this section may be
11 used

12 (1) to disseminate information about the time and place of an election
13 and to hold an election;

14 (2) to provide the public with nonpartisan information about a ballot
15 proposition or question or about all the candidates seeking election to a particular
16 public office.

17 (d) When expenditure of money is authorized by (b) or (c) of this section and
18 is used to influence the outcome of an election, the expenditures shall be reported to
19 the commission in the same manner as an individual is required to report under
20 AS 15.13.040.

21 **Sec. 15.13.150 ELECTION EDUCATIONAL ACTIVITIES NOT**
22 **PROHIBITED** This chapter does not prohibit a person from engaging in educational
23 election-related communications and activities, including:

- 24 (1) the publication of the date and location of an election;
25 (2) the education of students about voting and elections;
26 (3) the sponsorship of open candidate debate forums;
27 (4) participation in get-out-the-vote or voter registration drives that do
28 not favor a particular candidate, political party, or political position;
29 (5) the dissemination of the views of all candidates running for a
30 particular office.

31 **Sec. 15.13.155 RESTRICTIONS ON EARNED INCOME AND**

1 HONORARIA. (a) A candidate for the state legislature, for governor, or for
2 lieutenant governor, including an individual campaigning as a write-in candidate for
3 the office, may not

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

7 (2) accept a payment of anything of value, except for actual and
8 necessarily incurred travel expenses, for an appearance or speech; this paragraph does
9 not apply to the salary paid to the candidate for making an appearance or speech as
10 part of the candidate's normal course of employment.

11 (b) Notwithstanding (a) of this section, a candidate for the state legislature, for
12 governor, or for lieutenant governor, including an individual campaigning as a write-in
13 candidate for the office, may accept a payment for an appearance or speech if the
14 appearance or speech is not connected with the individual's status as a state official or
15 as a candidate.

16 Sec. 25.13.300. DEFINITIONS. In this chapter,

17 (1) "candidate"

18 (A) means an individual who files for election to the state
19 legislature, for governor, for lieutenant governor, for municipal office, for
20 retention in judicial office, or for constitutional convention delegate, or who
21 campaigns as a write-in candidate for any of these offices; and

22 (B) when used in a provision of this chapter that limits or
23 prohibits the donation, solicitation, or acceptance of campaign contributions, or
24 limits or prohibits an expenditure, includes

25 (i) a candidate's campaign treasurer and a deputy
26 campaign treasurer;

27 (ii) a member of the candidate's immediate family;

28 (iii) a person acting as agent for the candidate;

29 (iv) the candidate's campaign committee; and

30 (v) a group that makes expenditures or receives
31 contributions with the authorization or consent, express or implied, of

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under the control, direct or indirect, of the candidate;

(2) "commission" means the Alaska Public Offices Commission;

(3) "contribution"

(A) means a purchase, payment, promise or obligation to pay, loan or loan guarantee, deposit or gift of money, goods, or services for which charge is ordinarily made and that is made for the purpose of influencing the nomination or election of a candidate, and in AS 15.13.010(b) for the purpose of influencing a ballot proposition or question, including the payment by a person other than a candidate or political party, or compensation for the personal services of another person, that are rendered to the candidate or political party;

(B) does not include

(i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or ballot proposition or question, but it does include professional services volunteered by individuals for which they ordinarily would be paid a fee or wage;

(ii) services provided by an accountant or other person to prepare reports and statements required by this chapter, or

(iii) ordinary hospitality in a home;

(4) "expenditure"

(A) means a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of

(i) influencing the nomination or election of a candidate or of any individual who files for nomination at a later date and becomes a candidate,

(ii) use by a political party,

(iii) the payment by a person other than a candidate or political party of compensation for the personal services of another person that are rendered to a candidate or political party, or

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(iv) influencing the outcome of a ballot proposition or question;

(B) does not include a candidate's filing fee or the cost of preparing reports and statements required by this chapter;

(5) "group" means

(A) every state and regional executive committee of a political party; and

(B) any combination of two or more individuals acting jointly who organize for the principal purpose to influence the outcome of one or more elections and who take action the major purpose of which is to influence the outcome of an election; a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of a candidate shall be considered to be controlled by that candidate; a group whose major purpose is to further the nomination, election, or candidacy of only one individual, or intends to expend more than 50 percent of its money on a single candidate, shall be considered to be controlled by that candidate and its actions done with the candidate's knowledge and consent unless, within 10 days from the date the candidate learns of the existence of the group the candidate files with the commission, on a form provided by the commission, an affidavit that the group is operating without the candidate's control; a group organized for more than one year preceding an election and endorsing candidates for more than one office or more than one political party is presumed not to be controlled by a candidate; however, a group that contributes more than 50 percent of its money to or on behalf of one candidate shall be considered to support only one candidate for purposes of AS 15.13.070, whether or not control of the group has been disclaimed by the candidate;

(6) "immediate family" means the spouse, parents, children, including a stepchild and an adoptive child, and siblings of an individual.

(7) "independent expenditure" means an expenditure that is made without the direct or indirect consultation or cooperation with, or at the suggestion of

1 the request of, or with the prior consent of, a candidate, a candidate's campaign
2 treasurer or deputy campaign treasurer, or another person acting as a principal or agent
3 of the candidate;

4 (8) "individual" means a natural person;

5 (9) "person" has the meaning given in AS 01.10.060, and includes a
6 labor union and a group;

7 (10) "political party" means

8 (A) an organized group of voters that represents a political
9 program and that nominated a candidate for governor who received at least
10 three percent of the total votes cast at any one of the last five preceding general
11 elections for governor; and

12 (B) a subordinate unit of the organized group of voters
13 qualifying as a political party under (A) of this paragraph if, consistent with the
14 rules or bylaws of the political party, the unit conducts or supports campaign
15 operations in a municipality, neighborhood, election district, or precinct;

16 (11) "publicly funded entity" means a person, other than an individual,
17 that receives half or more of the money on which it operates during a calendar year
18 from government, including a public corporation.

19 * Sec. 24. AS 15.56 is amended by adding new sections to read:

20 Sec. 15.56.012. CAMPAIGN MISCONDUCT IN THE FIRST DEGREE. (a)

21 Except as provided in AS 15.56.014 and 15.56.016, a person commits the crime of
22 campaign misconduct in the first degree if the person knowingly engages in conduct
23 that violates a provision of AS 15.13 or a regulation adopted under authority of
24 AS 15.13.

25 (b) Violation of this section is a corrupt practice.

26 (c) Campaign misconduct in the first degree is a class A misdemeanor.

27 Sec. 15.56.014. CAMPAIGN MISCONDUCT IN THE SECOND DEGREE.

28 (a) A person commits the crime of campaign misconduct in the second degree if the
29 person

30 (1) knowingly circulates or has written, printed or circulated a letter,
31 circular, or publication relating to an election, to a candidate at an election, or an

1 election proposition or question without the name and address of the author appearing
2 on its face;

3 (2) except as provided by AS 15.13.090(b), knowingly prints or
4 publishes an advertisement, billboard, placard, poster, handbill, paid-for television or
5 radio announcement or other communication intended to influence the election of a
6 candidate or outcome of a ballot proposition or question without the words "paid for
7 by" followed by the name and address of the candidate, group or individual paying for
8 the advertising or communication and, if a candidate or group, with the name of the
9 campaign chair;

10 (3) knowingly writes or prints and circulates, or has written, printed and
11 circulated, a letter, circular, bill, placard, poster or advertisement in a newspaper, on
12 radio or television

13 (A) containing false factual information relating to a candidate
14 for an election;

15 (B) that the person knows to be false; and

16 (C) that would provoke a reasonable person under the
17 circumstances to a breach of the peace or that a reasonable person would
18 construe as damaging to the candidate's reputation for honesty, integrity, or the
19 candidate's qualifications to serve if elected to office.

20 (b) Violation of this section is a corrupt practice.

21 (c) Campaign misconduct in the second degree is a class B misdemeanor.

22 ~~Sec. 15.56.016. CAMPAIGN MISCONDUCT IN THE THIRD DEGREE. (a)~~

23 A person commits the crime of campaign misconduct in the third degree if

24 (1) the person violates a provision of AS 15.13 or a regulation adopted
25 under AS 15.13, or

26 (2) during the hours the polls are open and after election judges have
27 posted warning notices as required by AS 15.15.170 or at the required distance in the
28 form and manner prescribed by the chief municipal elections official in a local
29 election, the person is within 200 feet of an entrance to a polling place, and

30 (A) violates AS 15.15.170, or

31 (B) circulates cards, handbills, or marked ballots, or posts

1 political signs or posters relating to a candidate at an election or election
2 proposition or question.

3 (b) Campaign misconduct in the third degree is a violation.

4 Sec. 15.56.018. APPLICABILITY OF CAMPAIGN MISCONDUCT
5 PROVISIONS. (a) For purposes of AS 15.56.012(a) and 15.56.016(a)(1), each day
6 a violation continues constitutes a separate offense.

7 (b) When a person is convicted of violating AS 15.56.012, in addition to
8 imposition of a sentence as authorized by AS 12.55.015, notwithstanding
9 AS 12.55.015(c), the court shall order suspension, for a period of one year, of any
10 license held by the defendant that allows the defendant to do business in the state.

11 Sec. 15.56.019. DEFINITION. In AS 15.56.012 - 15.56.018, the term
12 "knowingly" has the meaning given in AS 11.81.900(a).

13 * Sec. 25. AS 24.45.121(a) is amended to read:

14 (a) A lobbyist may not

15 (1) engage in any activity as a lobbyist before registering under
16 AS 24.45.041;

17 (2) do anything with the intent of placing a public official under
18 personal obligation to the lobbyist or to the lobbyist's employer;

19 (3) intentionally deceive or attempt to deceive any public official with
20 regard to any material fact pertinent to pending or proposed legislative or
21 administrative action;

22 (4) cause or influence the introduction of a legislative measure solely
23 for the purpose of thereafter being employed to secure its passage or its defeat;

24 (5) cause a communication to be sent to a public official in the name
25 of any fictitious person or in the name of any real person, except with the consent of
26 that person;

27 (6) accept or agree to accept any payment in any way contingent upon
28 the defeat, enactment, or outcome of any proposed legislative or administrative action;

29 (7) serve as a member of a state board, or commission, if the lobbyist's
30 employer may receive direct economic benefit from a decision of that board or
31 commission.

1 (8) serve as a campaign manager or director, serve as a campaign
2 treasurer or deputy campaign treasurer on a finance or fund-raising committee, host a
3 fund-raising event, directly or indirectly collect contributions for, or deliver
4 contributions to, a candidate or otherwise [ACTIVELY] engage in the fund-raising
5 activity of a legislative campaign or campaign for governor or lieutenant governor
6 if the lobbyist has registered, or is required to register as a lobbyist, under this
7 chapter, during the calendar year; this paragraph does not apply to a representational
8 lobbyist as defined in the regulations of the Alaska Public Offices Commission, and
9 does not prohibit a lobbyist from making personal contributions to a candidate as
10 authorized by AS 15.13 or personally advocating on behalf of a candidate;

11 (9) offer, solicit, initiate, facilitate, or provide to or on behalf of a
12 person covered by AS 24.60, during a legislative session, a gift, other than food or
13 beverage for immediate consumption;

14 (10) make or offer a gift or a campaign contribution whose acceptance
15 by the person to whom it is offered would violate AS 24.60.

16 * Sec. 26. AS 24.60.031(b) is amended to read:

17 (b) In this section, "contribution" has the meaning given in AS 15.13.400
18 [AS 15.13.130].

19 * Sec. 27. AS 15.13.120(a), 15.13.130, AS 15.56.010, and 15.56.020 are repealed.

20 * Sec. 28. CONSTRUCTION AND APPLICATION. Each provision of this Act shall be
21 construed to avoid a conflict with any federal law that, under the United States Constitution,
22 prevails over the state provision.

23 * Sec. 29. APPLICABILITY OF AS 15.13 TO PERSONS OTHER THAN INDIVIDUALS.

24 If a court determines that, under the federal or state constitutions, persons who are not
25 individuals must be allowed to contribute to candidates or groups, then the requirements,
26 monetary limitations, and restrictions of AS 15.13 are applicable to those persons.

27 * Sec. 30. SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the
28 application thereof to any person or circumstance, is held invalid, the remainder of this Act
29 and the application to other persons or circumstances is not affected thereby.

30 * Sec. 31. CAMPAIGN ASSET BALANCE HELD ON EFFECTIVE DATE OF THIS
31 SECTION. A person who was a candidate as that term is defined by AS 15.13.400, added

1 by sec. 23 of this Act, and who, on the effective date of this section, holds unused campaign
2 contributions obtained while the person was a candidate and before the effective date of this
3 section may, notwithstanding AS 15.13.116, added by sec. 18 of this Act, retain those unused
4 campaign contributions for a future election campaign. The person's use of the campaign
5 contribution balance in a future election campaign makes those unused campaign contributions
6 subject to the provisions of AS 15.13.010 - 15.13.400 relating to the use of campaign
7 contributions, including AS 15.13.116, added by sec. 18 of this Act, relating to disbursement
8 of campaign assets after election at the conclusion of that future election campaign.

9 • **Sec. 32. TAKING EFFECT OF ACT MADE CONDITIONAL.** Sections 1 - 31 of this
10 Act take effect only if, under art. XI, sec. 4, Constitution of the State of Alaska, and
11 AS 15.45.210, the lieutenant governor determines that secs. 1 - 31 of this Act are substantially
12 the same as the law proposed to be enacted by the Initiative entitled "An Initiative relating to
13 election campaign financing and the Alaska Public Offices Commission; and providing for an
14 effective date " identified by the division of elections as Initiative Petition 95 CFPO, filed with
15 the lieutenant governor by the Initiative sponsors under AS 15.45.140 on December 15, 1995.

16 • **Sec. 33.** If secs. 1 - 31 of this Act take effect, they take effect January 1, 1997.

17 • **Sec. 34.** Section 32 of this Act takes effect immediately under AS 01.10.070(c).



Alaska State Legislature

Session:
State Capitol
Juneau AK 99801-1182

Senate State Affairs

Interim:
716 W 4th Avenue
Anchorage AK 99501-2133

LETTER OF INTENT
CSSB 141 (STA)
April 2, 1996

It is the intent of the legislature that nothing in this legislation shall be construed as prohibiting a legislator from being employed or being retained on a contractual basis by any political subdivision of the state.

ad

MEMORANDUM

State of Alaska

Department of Law

TO Pat Pourchot
Legislative Director
Office of the Governor

DATE April 12, 1996

FILE NO

TEL NO

465-2127

SUBJECT

Possible constitutional
problems with certain
sections of CSSB 141(STA)
(legislative ethics bill)

FROM

John B. Gaguine *JBG*
Assistant Attorney General
Governmental Affairs - Juneau

Shari Kochman of your office has asked for a brief memorandum on possible constitutional problems with sections 52-56 of CSSB 141(STA). These sections would greatly expand the number of executive branch employees who must file financial disclosure statements under AS 39.50, by extending the filing requirement to all executive branch employees in exempt and partially exempt positions Range 21 and higher. We see two possible problems.

1 Under current law, non-elected state officials who must file such statements are judges, commissioners, members of certain boards, deputy commissioners, division heads, assistants to the governor, state investment officers, and the state comptroller. Among the larger groups of state employees who would have to file if this proposed change were enacted are most attorneys working for the Department of Law's civil and criminal divisions, for the Public Defender Agency, and for the Office of the Public Advocate; most of the senior staff in the Permanent Fund Corporation, the Alaska Industrial Development and Export Authority, the Commercial Fisheries Entry Commission, the Postsecondary Education Commission, the Aerospace Development Corporation, the Alaska Seafood Marketing Institute; several high-level employees in the APUC; most physicians employed by the state; most petroleum engineers and petroleum geologists employed by the state; many Alaska Marine Highway System officers; certain division deputy directors; and the principal executive officers of several boards listed in AS 39.25.120(c)(9). According to the Alaska Public Offices Commission, approximately 800 public officials are currently subject to AS 39.50, and these bill sections would add about 450 more.

Because the proposed amendment uses Range 21 as a reference, it is not entirely clear whether highly-paid positions not subject to the classification scheme in AS 39.27.011 (such as AMHS officers subject to collective bargaining, who are in the exempt service) would be affected by the change. We believe that
(continued...)

Neither of them necessarily would doom these sections, if they are enacted into law, but both give us cause for concern.

First, it is possible that a court would find that these bill sections violate the privacy rights, under article I, section 22 of the Alaska constitution, of the executive branch employees who the bill would require to file. There are no reported Alaska decisions on AS 39.50 and the privacy rights of officers and employees who must file.¹ However, some decisions from other states have found that, in order to avoid violating the privacy rights of public employees, disclosure requirements must have some rational connection with the goal of preventing conflicts of interest, and the functions of the officials must be considered in determining whether disclosure is constitutional. See, e.g., City of Carmel-by-the-Sea v. Young, 466 P.2d 225 (Cal. 1970); Advisory Opinion on the Constitutionality of 1975 PA 227 (Questions 2-10), 242 N.W.2d 3, 18-21 (Mich. 1976).² While other courts have not taken this position, we cannot say for a certainty that the Alaska courts would not agree with the California and Michigan courts; the

¹ (...continued)

a court would be likely to look at salary, and conclude that the legislature intended that these employees be covered.

Another, even larger question along these lines pertains to the administration, faculty and staff of the University of Alaska. These employees are in the exempt service under AS 39.25.110(5). Again, they are not paid under the salary schedule in AS 39.27.011. And are they even executive branch employees under proposed bill section 56? See 1977 Op. Att'y Gen. No. 9 (Feb. 28), discussing question of status of university vis-a-vis executive and legislative branches.

² In Falcon v. APOC, 570 P.2d 469 (Alaska 1977), the Alaska Supreme Court dealt with a claim, by a doctor serving on the Kodiak Island School Board, that the privacy rights of his patients (but not his own rights) were violated by the requirement that he disclose his patients' names to the APOC under AS 39.50. The court partially agreed with him.

¹ The New York courts have not found problems with applying disclosure requirements to a broad range of officials, but have found that allowing unfettered public access to all disclosure statements may violate the privacy rights of some officials. Hunter v. City of New York, 396 N.Y.S.2d 186 (App. Div. 1977), aff'd mem., 405 N.Y.S.2d 455 (1978). Because nothing in AS 39.50 restricts public access to disclosure statements, the concerns of the New York courts would be relevant here.

Alaska courts place special emphasis on the individual's right of privacy, guaranteed by the constitutional provision. And there are many partially exempt and exempt employees Range 21 and above who are not at a policy-making level, and for whom there would seem to be no adequate justification for requiring disclosure.⁴

The second possible constitutional problem that we see with these bill sections is their inclusion of executive branch employees Range 21 and above and their exclusion of judicial and legislative branch employees in these ranges. Again there is case law from other states holding that similar differences violate equal protection guarantees. See, e.g., Comer v. City of Mobile, 337 So.2d 742, 751-53 (Ala. 1976) (statute requiring financial disclosure by members of certain boards and commissions of cities with population in excess of 15,000, and not by members of boards and commissions of cities with population of less than 15,000, violates equal protection); Snider v. Thornburgh, 436 A.2d 593 (Pa. 1981) (equal protection violated by statute requiring financial disclosure of elected school board officials, but not appointed ones, since both types received no salary and performed similar duties). We frankly are hard-pressed to come up with a rationale why executive branch employees must disclose and judicial and legislative employees do not have to.⁵

⁴ Psychiatrists working at the Alaska Psychiatric Institute would appear to be a good example of such employees. So would public defenders.

⁵ It could also be argued that equal protection is violated by requiring disclosure of exempt and partially exempt employees in the executive branch but not classified executive branch employees. Given the theoretical differences between the services, this argument would likely not prevail. However, it cannot be totally discounted. The courts might wonder why some division deputy directors are in the partially exempt service, and others are in the classified service. They might also wonder why all employees of some agencies (such as the Commercial Fisheries Entry Commission and the Postsecondary Education Commission) are in the exempt service, and most or all employees of other agencies (such as the Alaska Public Utilities Commission and the Alaska Commission on Aging) are in the classified service.

Pat Pourchot
CSSB 141 (STA)

April 12, 1996
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If you have any questions about this memorandum please do not hesitate to ask.

JBG:jn

cc: Bruce Botelho
Attorney General

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Alaska State Legislature

Select Committee on Legislative Ethics

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DATE: May 2, 1996

TO: Representative Jeanette James, Chair
House State Affairs Committee

FROM: Susie Barnett, Staff
Select Committee on Legislative Ethics

RE: Review of CS SB 141(RLS) (am)
The Ethics Bill

"An Act relating to legislative and executive branch ethics; relating to the conduct of lobbyist with respect to public officials; relating to campaigning by state employees; relating to the filing of financial disclosures by certain state employees and officials; making a conforming amendment to the definition of 'public official' for employment security statutes; and providing for an effective date."

This document is intended to supplement CS SB 141(RLS) (am) and provide an ethics committee analysis of the bill. (Herein, "committee" refers to ethics committee.) The asterisks indicate sections amended by the Senate State Affairs Committee (SSTA), Senate Rules Committee (SRLS) or on the senate floor.

***LETTER OF INTENT:** States that it is the intent of the legislature that nothing in the legislation shall be construed as prohibiting a legislator from being employed or being retained on a contractual basis by any political subdivision of the state. (Added in SSTA CS, adopted by the senate.)

***SECTION 1: AS 23.20.526(d) EXCLUSIONS FROM DEFINITION OF EMPLOYMENT.** Conforming amendment to employment security statutes to ensure that exempt and partially exempt employees referenced in this bill remain eligible for unemployment benefits. (Added in SRLS CS)

SECTION 2: AS 24.25.010(e) SUBPOENA POWERS. The ethics code specifically grants the ethics committee the authority to subpoena witnesses under AS 24.60.150(b)(2). AS 24.25.010, sets out general guidance for

legislative subpoenas and includes a reference requiring the concurrence of the Senate President or Speaker of the House. Subsection (e) provides that the concurrence requirement does not apply to the Legislative Council or the Legislative Budget and Audit Committee. Like the ethics committee, both the council and LBA are permanent interim committees and both have express grants of authority to subpoena witnesses. It is the opinion of the ethics committee and the committee's legal counsel, that not including the ethics committee in the exemption was an oversight, especially given the specific grant of authority. (Unchanged by CS)

***SECTION 3: AS 24.45.165: APOC REGULATION OF LOBBYISTS.** Adds a new section to the lobbying law which prohibits the spouse of a legislator or another person cohabitating with a legislator in a conjugal relationship from engaging in lobbying the legislature. These individuals may still act as representational lobbyists before the legislature or testify before committees, provided they are not compensated for such services. They may lobby agencies of the executive branch or another governmental entity for compensation. (AMENDED BY SRLS CS)

***SECTION 4: AS 24.45.171(12) DEFINITIONS.** Adds "another legislative employee subject to disclosure" to the definition of public official or public officer in relation to lobbying statutes. (see AS 24.60.990(a)(15) in this bill) (Added in SRLS CS)

***SECTION 5: AS 24.60.030(a) TELEPHONE/FAX USE.**

*Subsection (2)(A): The changes in subsection(2)(A) would allow the use of state resources for personal purposes if the use doesn't interfere with performance of public duties and either the cost is nominal or the legislator/legislative employee reimburses the state for cost. Requires employee to comply with supervisor's policy on state resource use. (Amended by SSTA CS)

*Subsection (2)(C) allows use of state phones and fax machines for private benefit and requires a legislator/employee who incurs a special charge to reimburse the state. (Amended by SSTA CS)

*Subsection (5)(A) allows use of state resources for political fund raising or campaigning if the use doesn't interfere with performance of public duties or the legislator/employee reimburses the state for cost. Requires employee to comply with supervisor's policy on state resource use. (Amended by SSTA CS)

*Subsection (5)(C) allows use of phones and faxes for political fund raising or campaigning and requires a legislator/employee who incurs a special charge to reimburse the state. (Amended by SSTA CS)

*Subsection (5)(D) allows campaign records, including APOC reports, to be kept in a legislator's office and prohibits a legislative employee from working on campaign records on government time. (Amended by SSTA CS)

***SECTION 6: AS 24.60.030(c) MASS MAILING.** The ethics code currently prohibits use of state funds to print or distribute a mass mailing from or about *a legislator who is a candidate for state office*, during the period 90 days before the primary and ending the day after the general election. The proposed language expands the prohibition to include legislators and legislative employees who are candidates for federal and municipal offices or to telephone and electric cooperatives. While other sections of the ethics code clearly prohibit use of state funds for campaign purposes, this section highlights what are considered to be a critical periods and provides a guideline for those who issue mailings during those times. This subsection does not refer to an individual legislator's office allowance. Rules Committee deleted, under definition of political mass mailing: [a person other than a legislator or employee who is a candidate for election to the legislature] **(Amended by SSTA and SRLS CS)**

***SECTION 7: AS 24.60.030(d) CAMPAIGN LITERATURE.** The proposed change adds fundraising notices to the list of current prohibitions on distributing or posting campaign literature in state facilities. The prohibitions currently apply only to legislators or someone on behalf of a legislator. This language expands that prohibition to include legislative employees. The SSTA Committee added language which states that the offices of individual legislators are not public areas for the purposes of this section. **(Amended by SSTA CS)**

SECTION 8: AS 24.60.030(f) BOARD MEMBERSHIP. The bill would put in statute what is current practice for disclosure, with two exceptions. The committee now requests disclosure of a new membership on a board within 30 days and board membership disclosures are not published in the journal. The amendment would change the new membership disclosure period to 60 days and would require the committee to publish the disclosures in the journal. **(Unchanged by CS)**

***SECTION 9: AS 24.60.030(g) CONFLICTS OF INTERESTS.** The amendments to this section have the effect of changing the *prohibition* on taking legislative, administrative or political action to a *disclosure requirement* prior to taking action if one has any of the "interests" listed in the amendment, which are expanded beyond equity or ownership interest to include employment, contracts and membership on a board. It also sets out that the disclosure is to be publicly announced if the action is being taken in a committee meeting or on the floor. Actions being taken other than in committee or on the floor, e.g. drafting a bill or testifying in an administrative hearing, would be disclosed in writing to the ethics committee within 7 days. Disclosures must include the nature of the financial interest and a short description of how action taken affects the interest, whether written or oral. **(Amended by SSTA CS, recommended by ethics committee)**

***SECTION 10: AS 24.60.030 GOVERNMENT TIME.** Under the proposed language, when determining in a complaint proceeding whether an employee was performing a task on government time, the committee would consider the schedule set by the employee's supervisor. Requires an employee to take leave for the period of time he/she is engaged in political campaign activities, other than incidental campaign activities. As amended in SSTA committee, political campaign activities are permissible on government time if the activities are part of the normal legislative duties, including answering phone calls and handling incoming correspondence. (Amended by SSTA CS)

SECTION 11: AS 24.60.031(a) FUNDRAISING DURING SESSION. The proposed language clarifies that the restrictions on fundraising during session are in effect on a day when either house is in regular or special session. (This would change the committee's current interpretation of "gavel to gavel") The proposed language retains the restrictions on fundraising during session for state legislative political purposes and eliminates the unnecessary term for "campaign purposes". This proposal lightens the language that might have allowed someone to expend money raised during session under a general letter of intent without a declaration of candidacy. (Unchanged by CS)

SECTION 12: AS 24.60.039 EMPLOYMENT DISCRIMINATION. The Ethics Committee shares jurisdiction with the Human Rights Commission (HRC) on complaints filed against a legislator or legislative employee concerning violations of the employment discrimination statute, AS 18.80.220. Current law requires the committee to deal with a complaint alleging a violation of that statute in the same manner they would deal with any other complaint. The proposed language gives the committee the option to refer complaints of employment discrimination to the HRC and defer consideration of the complaint until after the commission has completed its proceedings. (Unchanged by CS)

SECTION 13: AS 24.60.040(a) CONTRACTS AND LEASES. The proposed language broadens the contract and lease criteria beyond the *current code*, which restricts a legislator or legislative employee from having a financial interest in a state contract or lease unless:

- it is let through competitive bidding in accordance with the Procurement Code or
- it is worth \$1000 or less annually or
- it is standardized, under publicly established guidelines and generally available to the public at large.

The new language allows participation in contracts or leases that are let under AS 36.30, the State Procurement Code, which addresses a variety of award methods, including sole-source. It also allows participation in contracts and lease that are let under similar procedures to those in AS 36.30 which addresses such agencies as the University and the Railroad. The new language sets a new reporting threshold at \$5000, changed from the previous \$1000.

This bill eases the 'family member' disclosure requirement to generally read: A legislator or legislative employee who knows, or reasonably ought to know, that a family member is participating in a state contract or lease (with an annual value of \$5000 or more) must disclose that participation.

This relaxing of prohibitions is balanced by the new disclosure requirement. Currently a legislator or legislative employee does not disclose to the ethics committee participation in contracts or leases permitted by the code. The proposed language requires disclosure by the legislator, legislative employee and family members of participation in any state contract or lease over \$5000 annually. It also clarifies that for the purposes of complying with the ethics code, a grant that results in a contract is subject to this section. (Unchanged by CS)

SECTION 14: AS 24.60.040 CONTRACTS AND LEASES. Clarifies that a grant, contract or lease that falls under one of the State Loan or Benefit Programs in AS 24.60.050, is not subject to this section. (The committee publishes a list of programs that do not meet the criteria in AS 24.60.050 and requires disclosure of participation in any of the listed programs.) (Unchanged by CS)

SECTION 15: AS 24.60.050(c) REFRAIN FROM PUBLICATION. Allows the committee to protect an individual's right to privacy concerning participation in state loan and benefit programs. This follows an advisory opinion issued by the committee in 1994 explaining that it chose to not publish the name of a person who received a benefit from the Violent Crimes Compensation Committee but did publish that a person covered by the ethics code had received a benefit. (Unchanged by CS)

SECTION 16: AS 24.60.060(b) PROTECTIVE ORDER. The subject of an ethics complaint would be in violation of the code for releasing information deemed confidential under a protective order issued by the committee. This change would allow the committee to broaden discovery by the subject while still protecting any innocent, or 'not involved' parties subject to changes in AS 24.60.170(i), which was amended by SSTA CS. (Unchanged by CS)

SECTION 17: AS 24.60.070(b) DEADLINE FOR CLOSE ECONOMIC ASSOCIATION. The current code required disclosure but did not set a deadline. The February 15 deadline is in line with others and the 60 day disclosure for new associations matches the new language for disclosures throughout the bill. (Unchanged by CS)

***SECTION 18: AS 24.60.070(d) SPOUSAL/SPOUSAL EQUIVALENT LOBBYIST.** This new section would require legislators and legislative employees

who are married to or who are the spousal equivalents of a lobbyist, to disclose, under Close Economic Association, the name and address of each of the lobbyist's clients and the total monetary value received from each client annually. Changes to the list would have to be reported within 48 hours. This section applies to spouses or spousal equivalents of legislators and legislative employees who lobby any branch of state government. Note that Section 3 prohibits the spouses or spousal equivalents of legislators from lobbying the legislature. (AMENDED BY SRLS CS)

SECTION 19: AS 24.60.080(a): GIFTS . The bill increases the gift limit from \$100 to \$250 annually. New language has been added that clarifies the restriction on legislators and legislative employees from accepting, from a lobbyist during session, anything of monetary value other than food or beverage for immediate consumption. This change matches the restrictions currently in the APOC statutes for lobbyists. (Technical Change only in SRLS CS)

***SECTION 20: AS 24.60.080(c) GIFT EXEMPTIONS.** The committee has received inquiries as to whether a stay at a person's vacation home is an exempted gift. This language clarifies that a stay in a vacation home located outside the state is not an exempted gift. Language would allow legislators and legislative employees to accept unlimited discounts while on state business. (Amended by SSTA CS)

***SECTION 21: AS 24.60.080(d) GIFT REPORTING.** Proposed changes to Sections 24.60.200-260 (discussed further down in this document) of the ethics code, remove APOC out from under the responsibility of dealing with reports of gifts received by legislators and legislative directors. This is an effort to ease confusion over what is reported to whom. Under the proposed changes, all gifts would be reported to the ethics committee. The changes in this section correspond to those made in previous sections e.g. \$250 limit and changing reporting date for gifts not related to legislative status to February 15 deadline and the change from reporting gifts to APOC. Changes the confidential disclosure requirement for gifts "not related to legislative status" from donor, description of gift and value to just donor and description of gift. Gifts that do not relate to legislative status will remain confidential. (Amended by SSTA CS)

***SECTION 22: AS 24.60.080(f) GIFTS FROM GOVERNMENTS.** Allows acceptance of gift from a foreign government, the U.S. government or another state government for protocol purposes so long as the gift is delivered to the legislative council within 60 days. This bill increases the threshold to \$250 to correspond with other changes relating to gifts. (Amended by SSTA CS)

***SECTION 23: AS 24.60.080(g) FAMILY.** Defines the terms in the Gifts Section "immediate family or family member", when used in relation to gifts

received from immediate family and the new subsections in AS 24.60.080: inheritance from a family member (i) or gifts received by a family member (k). (Amended by SSTA CS, SSTA added to (B) with a person cohabiting in a conjugal relationship that is not a legal marriage.) (Technical change only in SRLS CS)

***SECTION 24: AS 24.60.080 GIFTS. New subsections (h) Permits soliciting and accepting gifts on behalf of charitable organizations, which is in accordance with the advisory opinion issued by the committee last year. Allows the committee to set guidelines concerning these types of gifts. (Unchanged by CS)**

(i) Requires reporting of receipt, but not value of, an inheritance from a person other than a family member. The current statute does not address inheritance. This information is currently required under APOC reporting of gifts. The bill reflects the change from reporting gifts to APOC. (Unchanged by CS)

(j) The committee issued an opinion interpreting the restriction on accepting volunteer 'services' over \$100 in value. This bill reflects that opinion and sets out that gifts of volunteer services for legislative purposes may be accepted by a legislator, legislative committee or legislative agency as a gift to the state, so long as the person donating the services is not paid by another source. The SSTA CS amended this section by allowing a legislator, legislative committee or legislative agency to accept a UA Intern or JTPA trainee as well as any other educational trainees the committee approves. For purposes of maintaining confidentiality, the ethics committee is not permitted to accept volunteer services. (Amended by SSTA CS)

This subsection requires volunteers, interns, and educational trainees to generally comply with the ethics code, with the exceptions of the following sections: contracts and leases, close economic associations, nepotism or representation before state agencies. The nepotism exemption allows family members to volunteer their time to legislative offices. (Amended by SSTA CS, Educational trainees, including UA intern and JTPA added)

(k) The current law does not specifically address whether gifts, from another source, to a family member of a legislator or legislative employee fall within the restrictions and/or reporting requirements. The issue has been discussed by the committee in relation to spouses of legislators receiving gifts of travel to attend conferences with the legislator. The proposed language requires disclosure by a legislator or legislative employee who knows, or reasonably ought to know, that a family member has received a gift because of the family member's connection to the legislator or legislative employee. The bill provides this guideline: if the gift was given directly to the legislator or employee and if it would have to be reported by the legislator or employee, then the same gift, if the gift was given to a family member because of his/her connection to a legislator or legislative employee, would require disclosure. In other words, gifts of travel for matters of legislative concern given to allow the spouse to travel with the legislator, would have to be reported. The same holds true for gifts that legislators or legislative employees would be prohibited

from accepting, that are received by family members. For example, gift of over \$250 given to the spouse of a legislator, primarily because of the connection to the legislator, would have to be reported.

The language, "or reasonably ought to know", concerning family members reduces the burden on those covered by the ethics code to research gifts provided to family members with whom there is little or no contact. (Technical Change in SRLS CS)

(i) Sets out that the value of the gift is fair market value, to the extent that fair market value can be determined. An example of how this might apply is: a tourism company provides a one hour helicopter ride to show a legislator the area in which they would like to expand their tours. The legislator would use the rate charged to helicopter passengers for a one hour tour in reporting the gift. (Unchanged by CS)

SECTION 25: AS 24.60.085(a) EARNED INCOME AND HONORARIA. Allows legislators and legislative employees to accept compensation that is less than fees generally charged. The effect of this change would be to allow an attorney to do pro bono work or an engineer to charge a reduced rate for review of plans for a non-profit organization. (Unchanged by CS)

SECTION 26: AS 24.60.100 REPRESENTATION. Current law does not set reporting deadlines for representation before a state agency. This change corresponds to the other changes of February 15 and 60 days for new representation. (Unchanged by CS)

***SECTION 27: AS 24.60.111: LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS.** New section allows a legislator or legislative employee to establish a Legal Defense and Election Challenge Fund to assist with payment of attorney fees and other costs related to defense of a civil, criminal or administrative action or related to the prosecution of defense of an administrative or judicial action concerning a contested election. This section was amended on the senate floor to restrict use of the fund to actions arising out of or relating to political, legislative or public policy matters. Sets out that contributions to the fund are not subject to the restrictions on campaign contributions or gifts in the ethics code. Requires APOC to adopt regulations concerning the fund and establishes that a person who violates the regulations is guilty of a Class B misdemeanor and is subject to civil sanctions as recommended by the ethics committee in the complaint process. See section below, relating to the Campaign Finance Reform Initiative](Added by SSTA CS, amended on Senate floor)

***SECTION 28: AS 24.60.111: LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS.** See section above for description. This section, which also establishes the Legal Defense and Election Fund would only take effect if an initiative relating to campaign financing is approved by the voters in 1996. If initiative is not approved, this section sunsets and the section above stays in

effect. Effective dates for this section are included at the end of this bill.
(Added by SSTA CS, amended on Senate floor)

SECTION 29: AS 24.60.130(f) COMMITTEE PER DIEM AND TRAVEL

The language formalizes the public members' entitlement to receive per diem and travel compensation, as has been customary with legislative committees that have non-legislative members, such as the Code Revision Committee. The public members are not entitled to be paid for their time in service to the committee. AS 39.20.180 sets the rates and terms for per diem and travel for state boards and commissions. The change would apply those rates and terms to the public members of the committee. (Unchanged by CS)

SECTION 30: AS 24.60.130(h) MEMBER DISQUALIFICATION. The process for appointing a new member to serve on the ethics committee in the place of a disqualified member is in new subsection AS 24.60.130(o). (Unchanged by CS)

The new language prohibits an ethics committee member from participating in a complaint proceeding against a subject of a complaint that is supervised by the member. (Unchanged by CS)

SECTION 31: AS 24.60.130(o) APPOINTMENT OF COMMITTEE

ALTERNATES The current law sets out that if a member is disqualified during session, the presiding officer, with 2/3 concurrence, appoints another member for that proceeding. If disqualification is during interim, the presiding officer appoints a new member with the concurrence of that house's subcommittee. Involving either body of the legislature defeats that level of confidentiality and public knowledge of the disqualified member could lead to speculation as to who is the subject of the complaint. The new language directs the presiding officers to appoint alternates to the committee who will serve when the chair of the committee or subcommittee appoints them, due to a legislative member being disqualified in a complaint proceeding. The appointment of the alternate by the chair is confidential. (Unchanged by CS)

SECTION 32: AS 24.60.134(a) RESTRICTIONS ON PUBLIC MEMBERS OF THE COMMITTEE.

The proposed language strengthens the political restrictions on the public members, staff to the committee and those under contract to the committee, by clarifying that prohibitions of participation in political management or in a political campaign extend to ballot initiatives and to campaigns for federal, state and local offices, regardless of whether the campaign is partisan or nonpartisan. The restrictions on attending a fundraising event or making a campaign contribution remain, as in current law, tied to the legislature. A public member, employee or contractor to the committee may not attend a fundraiser or make a contribution to a candidate for the legislature, an incumbent legislator or legislative employee who is a candidate for another public office or a person running for another office

against an incumbent legislator or legislative employee. The restriction on lobbying activities also remains the same as current law.
(Unchanged by CS)

SECTION 33: AS 24.60.134 RESTRICTIONS: NEW SUBSECTIONS. The committee advocates further restricting public members, employees and contractors of the committee from participating in or attending a political fundraising event held on behalf of a political party. Current law does not address this issue. **New subsection (c)** adds this restriction.(TECHNICAL CHANGE IN SRLS CS)

Proposed subsection (d) The proposed language permits a contractor with the ethics committee to request the committee to exempt some members of the corporation or partnership from having to comply with some or all prohibitions against political activity. The committee currently contracts for outside legal counsel with an attorney who is part of a large firm with branch offices outside of Alaska. A strict reading of current law prohibits all employees of that law firm to comply with the restrictions in the Alaska legislative ethics code.
(TECHNICAL CHANGE IN SRLS CS)

SECTION 34: AS 24.60.150(b) GUIDELINES . The proposed language permits the committee to adopt guidelines under a public process. A person who acted within the guidelines could not be penalized for violating the ethics code. The current procedure of issuing Advisory Opinions allows interpretations based only on the facts presented by a requestor. Situations have come up wherein the committee feels guidelines, based on a broad set of circumstances and an interpretation of the law, would assist those covered by the code in avoiding inadvertent violations. (Unchanged by CS)

SECTION 35: AS 24.60.160 ADVISORY OPINIONS. The proposed language in this section allows the committee to issue an advisory opinion to a person who anticipates becoming a legislative employee, 45 days prior to employment. Current law restricts the committee to issuing opinions to those already in legislative employment, legislators and legislators-elect. Current law sets 30 days as the response time for the committee to a request for an advisory opinion. The proposed change allows the committee 60 days to respond. (Unchanged by CS)

The new language in subsection(b) clarifies that the committee retains the authority to restrict attendance during deliberations in executive session on an advisory opinion. (Unchanged by CS)

SECTION 36: AS 24.60.170(a) COMPLAINTS. Current law requires the committee to process a complaint received, even if against all members of the legislature or all members of one house of the legislature. The proposed change, prohibiting the committee to consider a complaint of that nature.

would allow the committee to return the complaint without action. Current law prohibits considering a complaint against a terminated legislative employee. Proposed language would allow the committee to reinstate a complaint that was closed upon an employee's termination, if the employee was rehired within five years of date the complaint was filed. New language also allows the committee to follow the same procedure with a former legislator who resumes legislative service within five years of the date of the complaint. (Unchanged by CS)

***SECTION 37: AS 24.60.170(b) COMPLAINTS.** Requires the committee to inform the subject of a complaint of the procedures relating to discovery of confidential information as set out in AS 24.60.170(i). (Amended by SSTA CS)

SECTION 38: AS 24.60.170(c) COMPLAINTS. The proposed change would put into law the current adopted procedure of the committee, which is to assign complaints to staff for preliminary examination for legal sufficiency and credibility of information. Staff would then make a recommendation to the committee based on information and evidence contained in the complaint. Staff and the committee would be specifically permitted to solicit additional information from the complainant and the subject. The subject is not obligated to provide information. The new language clarifies that the committee is permitted to dismiss frivolous complaints for lack of credible information. Further clarifies, as is current practice, that proceedings under this subsection are confidential and that confidentiality may be waived by the subject in compliance with AS 24.60.170(i), the subsection dealing with discovery by the subject. (Affected by SSTA CS changes to AS 24.60.170(i))

SECTION 39: AS 24.60.170(f) LACK OF PROBABLE CAUSE. Clarifies that the deliberations and vote on the dismissal order and decision on a finding of "lack of probable cause that a violation of the ethics code occurred" are not open to the public or to the subject of the complaint. (Unchanged by CS)

***SECTION 40: AS 24.60.170(g) CORRECTIVE ACTIONS.** Clarifies procedures in the event a person, after a finding of probable cause of a violation of the ethics code, agrees to comply with the committee's recommended corrective actions but later fails to complete the corrective action. Under the new language the committee may formally charge the person or refer the matter to the appropriate house of the legislature or appointing authority. It empowers the legislature or the appointing authority to enforce the actions or to decline to enforce and refer the matter back to the committee. If it is referred back to the committee, the committee maintains the power to formally charge the person. (Amended by SSTA CS, ethics committee recommended)

***SECTION 41: AS 24.60.170(h) CORRECTIVE ACTIONS.** Complies with new language in AS 24.60.170(g), empowering the committee to formally charge a person who fails to complete corrective actions. (Amended by SSTA CS, ethics committee recommended)

***SECTION 42: AS 24.60.170(i) DISCOVERY.** Subsection (i) in current law is confusing as to when the subject of a complaint may engage in discovery. The committee feels the appropriate time for discovery and what seems to be the intent of the code, is at the point a person is formally charged. The change from subsection (b) to subsection (h) would clarify that intent. However, the new language permits the committee to adopt procedures concerning discovery which include allowing discovery at an earlier stage than formal charges and imposing reasonable restrictions on release of information to the subject of a complaint, to protect the privacy of persons not under investigation. The Senate State Affairs committee amended this section by adding a requirement that the committee could not impose restrictions on discovery by the subject unless the person filing the complaint agreed to be bound by similar restrictions concerning release of information and the person has not made public the information in or about the complaint or the filing of a complaint. (Amended by SSTA CS)

***SECTION 43: AS 24.60.170(l) ATTENDANCE AT EXECUTIVE SESSIONS and WAIVER OF CONFIDENTIALITY.** The Uniform Rules set out that a legislator may not be excluded from an executive session. The proposed language clarifies that all meetings of the committee concerning complaints are closed to the public and to legislators who are not committee members. Senate State Affairs committee amended this section to require the committee to permit the subject of the complaint and the subject's attorney to attend any meeting concerning the complaint, including confidential meetings and to notify the subject of any meetings on the complaint. Proposed language clarifies that the subject of the complaint may waive the confidentiality provisions under this subsection but may not waive the committee's confidentiality duty to others. For example, if a complaint named three subjects and one of the subjects waived confidentiality, the committee would adhere to the confidentiality requirements for the other two. (Amended by SSTA CS)

***SECTION 44: AS 24.60.174(a) TIMETABLE FOR SANCTIONS.** This sets out a procedure for the ethics committee and the legislature to follow concerning sanctions on legislators. When the committee submits a report recommending sanctions to a legislative body to consider imposing on a legislator who was found in violation of the ethics code, a timetable for compliance with the sanctions must be included. The report may also include recommended lines that the legislative body may impose if the legislator does not comply in a timely manner. (Amended by SSTA CS, ethics committee recommended)

***SECTION 45: AS 24.60.174 TIMETABLE FOR SANCTIONS.** This subsection requires the legislative body to report to the committee the sanctions and timetable for compliance it has adopted. It further requires the legislator to report compliance with the sanctions according to the timetable to the committee. If the committee determines the legislator or former legislator has not complied fully and in a timely manner, the committee may recommend that the legislative body impose a fine or additional sanctions. (Amended by SSTA CS, ethics committee recommended)

***SECTION 46: AS 24.60.176: RECOMMENDATIONS WHERE VIOLATOR IS A LEGISLATIVE EMPLOYEE.** The current code sets out that the "appointing authority" determines sanctions to be imposed on a violator who is an employee. (Appointing authority is defined in AS 24.60.176(b) of this bill.) The proposed language in this section establishes that those listed in AS 24.60.176(b) have the authority to impose sanctions on violators who are legislative employees. The SSTA CS added language to comply with the changes in AS 24.60.174 of this bill concerning reporting to the committee on a set timetable. (Amended by SSTA CS, ethics committee recommended)

***SECTION 47: AS 24.60.176(b): APPOINTING AUTHORITY.** This new subsection defines which body or person is the appointing authority for each set of legislative employees. The SSTA committee changed the appointing authority for employees of individual legislators from the Rules Committee to the legislator who made the hiring decision. (The legislator may refer the matter to Rules if he/she so chooses). (Amended by SSTA CS)

***SECTION 48: AS 24.60.178 SANCTIONS.** Current law does not set out possible sanctions that could be recommended by the committee. The new section lists recommendations to be made by the committee for violators of the code for the legislature to impose or require: fines on members who violated the code, divestiture of specified assets or withdrawal from certain associations, additional disclosure, suspension or termination from legislative employment (if an employee), restitution or reimbursement, public or private written reprimand, censure, removal from committee positions, probation, expulsion or any other appropriate measure. Subsection (c) clarifies that the committee may recommend that the subject be required to pay all or some of the costs related to the investigation or adjudication of a complaint. The committee's intent is to allow those covered by the code to be aware of possible sanctions and to empower the legislature to impose or require any of the above sanctions on legislators, including fines. SSTA committee in subsection (7) added language to the censure clause that a legislator could be removed from a leadership position or committee membership position and a determination that the legislator would not be appointed to a leadership or committee membership position for the remainder of that legislature. (Amended by SSTA CS)

***SECTION 49: AS 24.60.200 FINANCIAL DISCLOSURE BY LEGISLATORS, LEGISLATIVE DIRECTORS, AND CERTAIN LEGISLATIVE EMPLOYEES** Under current law, legislators and legislative directors are required to annually file a complete financial disclosure statement to APOC. The change made in the SRLS CS requires legislative employees at a Range 19 and above to file financial disclosure reports. This statement is similar to the conflict of interest statements filed by statewide and local elected officials. The proposed changes to the APOC Legislative Financial Disclosure statement deal only with gifts. All other reporting under this section remains the same and remains the responsibility of APOC. The new language removes the responsibility for dealing with reports of any gifts from APOC. The corresponding change described above in AS 24.60.080(d) places that responsibility solely with the ethics committee. (The SRLS CS adds "certain legislative employees" and includes a Technical Change)

***SECTION 50: AS 24.60.210 DEADLINES FOR FILING OF DISCLOSURE STATEMENTS.** Adds "a legislative employee who is required to disclose" to those required to file annual financial disclosure report with APOC. (Added by SRLS CS)

***SECTION 51: AS 24.60.240 CIVIL PENALTY FOR LATE FILING.** Adds "a legislative employee who is required to disclose" to those subject to fine for late filing of annual financial disclosure report with APOC. (Added by SRLS CS)

***SECTION 52: AS 24.60.250 EFFECT OF FAILURE TO FILE BY LEGISLATIVE CANDIDATE.** Adds "a legislative employee who is required to disclose" to those subject to penalties for not filing annual report with APOC. (Added by SRLS CS)

SECTION 53: AS 24.60.260(a) FINES. Current law does not include any penalty for late disclosures to the ethics committee. The proposed changes in this subsection and the new subsection below (c) would allow a person to file a late disclosure but that person would be subject to a fine or to having a complaint filed against them. (Unchanged by CS)

SECTION 54: AS 24.60.260(c) FINES. Permits the committee to impose fines for late disclosures. Fines are not to exceed \$2 per day to a maximum of \$25 per disclosure for inadvertent late filing. The committee may impose an additional fine of \$100 for intentionally not filing a disclosure. (Unchanged by CS)

***SECTION 55: AS 24.60.990(a)(5) IMMEDIATE FAMILY.** The change to the definition of immediate family affects, in current law, the contracts and leases section (24.60.040), the gifts section (24.60.080 (c)(5) and (g)) and

the Legislative Financial Disclosure reporting requirements (24.60.200(4)).
(Amended by SSTA CS).

***SECTION 56: AS 24.60.990 (a)(15) DEFINITIONS.** "A legislative employee who is required to disclose" is defined as a legislative employee, other than a legislator or a legislative director, who is compensated at a Range 19 or above who will now be subject to financial and conflict of interest disclosure.
(Added by SRLS CS)

***SECTION 57: AS 39.25.070. POWERS AND DUTIES OF THE PERSONNEL BOARD.** Reflects the changes made in Sections 90-100 of this bill, which replace the Attorney General with the Personnel Board for many of the duties related to handling complaints. (Added by SRLS CS)

***SECTION 58: AS 39.25.160 (j) STATE PERSONNEL ACT.** Amends the State Personnel Act by adding a specific prohibition on state employees engaging in campaign activities on behalf of political candidate on government time. Clarifies that Division of Election employees may carry out duties related to elections and members and employees of the Commission on Judicial Conduct may carry out duties related to evaluation of judges. (Added by SSTA CS)

***SECTION 59: AS 39.50.020 REPORT OF FINANCIAL AND BUSINESS INTERESTS.** Subsection (a) Amends the non-legislative Conflict of Interest statutes. This section sets out that the public officials listed in AS 39.50.200 (8) must file a financial report within 30 days after taking office as a public official. The Tourism Marketing Council director is the only change from previous definition. In reference to filing requirements for candidates, the SRLS CS deletes the 30 day grace period for a "person who becomes a candidate by any other means" thereby requiring immediate filing. Subsection (b) sets out that public officials are to file with APOC. (Amended by SSTA CS)

***SECTION 60: AS 39.50.030(a) CONTENTS OF FINANCIAL STATEMENTS.** Deletes the unnecessary reference to assets or liabilities under \$500, household goods and personal effects, to clarify that only those items listed in subsection (b) are to be reported. (Amended by SRLS CS)

***SECTION 61: AS 39.50.030(b) CONTENTS OF FINANCIAL STATEMENTS.** Changes the reporting requirements for the executive branch public officials to the same level of legislators; interests over \$1000. Previous reporting level was \$100. Adds requirement for public officials to report any income of over \$250 that is a *gift*. Deletes requirement for reporting of a state contract or natural resource lease held, bid or offered by the officials mother or father, adds reporting of state contract held, bid or offered by a partnership or professional corporation of which the official is a member. Adds

official's spouse to the list of those the official must report if the spouse holds a natural resource lease. (Amended by SRLS CS)

*SECTION 62: AS 39.50.070 FAILURE TO REPORT BY CERTAIN STATE EMPLOYEES. Amends language to conform with changes on who must report, in Section AS 39.50.020 and AS 39.50.200. (Amended by SRLS CS)

*SECTION 63: AS 39.50.080 FAILURE TO REPORT BY A COMMISSION OR BOARD CHAIR OR MEMBER. Amends language to conform with changes on who must report, in Sections AS 39.50.020 and AS 39.50.200. (Added by SRLS CS)

*SECTION 64: AS 39.50.200((a)(8) DEFINITIONS. Combined with following section, changes the definition of who must file a financial report. Adds to the current list, all state employees in the executive branch in the exempt of partially exempt service who are at a Range 21 or above or who earn more than \$4200 per month. (Added by SRLS CS, amended on senate floor)

*SECTION 65: AS 39.50.200(a)(10) DEFINITIONS. Combined with above section, changes the definition of who must file a financial report. Adds to the current list, all state employees in the executive branch in exempt or partially exempt service who are at a Range 21 or above or who earn more than \$4200 per month. (Added by SRLS CS, amended on senate floor)

*SECTION 66: AS 39.52.010(a) FINDINGS AND PURPOSE. Generally adds the findings of the legislative ethics act to those in the executive branch ethics code. (Added by SRLS CS)

*SECTION 67: AS 39.52.110(c) SCOPE OF CODE. Conforming change related to removal of Attorney General from certain actions related to administering the executive ethics code, see Sections 90-100. (Amended by SRLS CS).

*SECTION 68: AS 39.52.120(b) MISUSE OF OFFICIAL POSITION. This section clarifies that the Governor and Lt. Governor may accept campaign contributions and that public officers and Lt. Governor and Governor may accept lawful gifts. (Added by SRLS CS)

*SECTION 69: AS 39.52.125 MISUSE OF OFFICIAL POSITION BY STATE OFFICIALS. New section. Adds a new section to the executive branch ethics code which sets out additional prohibitions for state officials (as defined at the end of this bill), as generally found in the legislative ethics act, and includes changes made to the legislative ethics act through this legislation. (Added by SRLS CS)

***SECTION 70: AS 39.52.130(c). GIFTS** This section and other sections change the reporting, advising and enforcing authority relating to gifts for the executive ethics code from the Attorney General's office to the Personnel Board. (Added by SRLS CS)

***SECTION 71: AS 39.52.130(e-n) GIFTS . New subsections.** Changes language regarding state officials to match legislative gift restrictions and reporting and adds the list, as proposed in this bill, of exempted gifts under the legislative ethics code, including voluntary services, to the executive branch ethics act. Gifts from another government to be delivered to the Office of the Governor. (Added by SRLS CS)

***SECTION 72: AS 39.52.155 RESTRICTIONS ON FUNDRAISING. New Subsections. Section 39.52.132:** Sets the same restrictions on campaign fundraising for state officials including the governor and lieutenant governor as for legislators and legislative employees. **Section 39.52.134** prohibits a state official in the exempt or partially exempt service from filing a letter of intent or declaration of candidacy for the legislature. **Section 39.52.136** adds state officials to those that must comply with the open meetings law. (Added by SRLS CS)

***SECTION 73: AS 39.52.150(d) IMPROPER INFLUENCE IN STATE GRANTS, CONTRACTS, LEASES, LOANS.** Changes receipt of report of participation in state contracts, grants, leases, loans from AG office to Personnel Board. (Added by SRLS CS)

***SECTION 74: AS 39.52. DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS.** Requires state official to disclose to supervisor and APOC, which shall maintain a public record, close economic associations with those listed in this section. Sets disclosure deadlines to conform with legislative ethics act. Subsection (c) requires state officials who are married to or living with a lobbyist to report the name of each employer of the lobbyist and the total monetary value received from the employer. Changes must be reported within 48 hours. (Added by SRLS CS)

***SECTION 75: AS 39.52.170 OUTSIDE EMPLOYMENT RESTRICTED.** Adds a clause that restricts state officials from accepting outside employment if the compensation is significantly greater than the value of the services. Conforms with legislative ethics language. (Added by SRLS CS)

***SECTION 76: AS 39.52.170 (c) OUTSIDE EMPLOYMENT.** Adds an honorarium restriction for state officials which matches legislative ethics act restriction. (Added by SRLS CS)

***SECTION 77: AS 39.52.180(b) RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE.** This references change in new subsection

(d) below, restricting agencies from contracting with a former state official for services which would include lobbying before a state agency or the legislature. (Added by SRLS CS)

*SECTION 78: AS 39.52.180(c) RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. References new subsection (d) below and sets a one year limit on waiving restrictions set out in this section regarding lobbying. (Added by SRLS CS)

*SECTION 79: AS 39.52.180(d) RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE SERVICE. New subsection. (d) restricts agencies from contracting with a former public officer for services which would include lobbying before a state agency or the legislature. (Added by SRLS CS)

*SECTION 80: AS 39.52.210(a-c) DECLARATION OF POTENTIAL VIOLATIONS. Requires public employees to report potential violations to Personnel Board as well as to supervisor. Requires supervisor to provide a copy of written determination of potential violation to public employee and personnel board. (Added by SRLS CS)

*SECTION 81: AS 39.52.220 DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS AND COMMISSIONS. Requires members of boards or commissions to disclose a matter that may result in a violation on the public record and in writing to supervisor and to the personnel board. Replaces AG office with Personnel Board as advisors in matters of potential violation. (Added by SRLS CS)

*SECTION 82: AS 39.52.230 REPORTING OF POTENTIAL VIOLATIONS. A complaint is filed against a state official with the supervisor. The supervisor is required to file a copy of the complaint with the personnel board. (Added by SRLS CS)

*SECTION 83: AS 39.52.240(a) ADVISORY OPINIONS. Adds state officials to those that may request an advisory opinion and sets the personnel board as the body to issue the opinion. (Added by SRLS CS)

*SECTION 84: AS 39.52.240(b) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the body offering oral advice. (Added by SRLS CS)

*SECTION 85: AS 39.52.240(c) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the advising body. (Added by SRLS CS)

*SECTION 86: AS 39.52.240(e) ADVISORY OPINIONS. Replaces the AG office with the personnel board as the advising body. (Added by SRLS CS)

***SECTION 87: AS 39.52.240(h) ADVISORY OPINIONS.** Replaces the AG office with Personnel Board for purpose of publishing advisory opinions. (Added by SRLS CS)

***SECTION 88: AS 39.52.250 ADVICE TO FORMER PUBLIC OFFICERS.** Replaces the AG office with the personnel board as the advising body. (Added by SRLS CS)

***SECTION 89: AS 39.52.260 DESIGNATED SUPERVISOR'S REPORT AND PERSONNEL BOARD REVIEW.** Replaces the AG office with the personnel board as the body accepting reports of potential violations. (Added by SRLS CS)

***SECTIONS 90-99: AS 39.52.310, 320,330,340. COMPLAINTS:** The changes made in the Rules CS in sections 90-99 have the effect of removing the AG from handling complaints and placing that responsibility with the Personnel Board. (Added by SRLS CS)

***SECTION 100. AS 39.52.350 PROBABLE CAUSE FOR HEARING.** Changes the current role of the AG from determining probable cause and initiating hearings to that of "prosecutor" in the hearing. Establishes the Personnel Board as the body to conduct preliminary review, determine probable cause and initiate hearings. (Added by SRLS CS)

***SECTION 101: AS 39.52.920 AGENCY POLICIES.** Replaces the AG office with the personnel board as the body which reviews and approves agency policies that restrict a public officers acquisition of personal interest in certain entities and acceptance of gifts. (Added by SRLS CS)

***SECTION 102: AS 39.52.950. REGULATIONS.** Sets out that the AG office may adopt regulations under the Administrative Procedures Act and that the personnel board may adopt regulations necessary to interpret and implement sections other than complaints. (Added by SRLS CS)

***SECTION 103: AS 39.52.960(11) DEFINITION OF IMMEDIATE FAMILY.** Changes definition in the executive act to match the legislative act. (Added by SRLS CS)

***SECTION 104: AS 39.52.960 (23) DEFINITION OF STATE OFFICIAL.** Means governor, lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch or as the director of a division in a department in the executive branch, the chair or member of a state commission or board, the executive director of the Alaska Tourism Marketing Council, an assistant to the governor or lieutenant governor, a state investment officer, the state comptroller in the Department of Revenue, and a state employee who is not otherwise listed in this definition who is employed in

a position in the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 21 A or above on the state salary schedule or at more than \$4200 per month. (This may effect people at lower ranges who are further out in step) Does not include an employee who is a member of collective bargaining unit e.g. state ferry workers. (Added by SRLS CS)

*SECTION 105: AS 44.62.175(a) ALASKA ADMINISTRATIVE JOURNAL. Adds advisory opinions of the personnel board to the list o' those things to be published in the journal. (Added by SRLS CS)

*SECTION 106: AG OPINIONS. Sets out that a public officer or former public officer may rely upon the opinion of the AG's office prior to this act taking effect. (Added by SRLS CS)

*SECTION 107 Clarifies that the Legal Defense and Election Challenge Fund. takes effect only if the campaign finance reform initiative is approved in 1996. (Amended by SSTA CS)

*SECTION 108: Further clarifies that the Legal Defense Fund would take effect on the day after the initiative takes effect. (Amended by SSTA CS)

*SECTION 109: EFFECTIVE DATE. APOC has recommended that a January 1 effective date would correspond to their calendar year reporting. The CS amends the year to 1997, with the exception of section above. (Amended by SSTA CS)

Not current to CSSB 141(RLS)(am)

DEFINITIONS F.Y.I.

AS 39.50.200 (8) DEFINITION OF PUBLIC OFFICIAL. Means a judicial officer, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of, or director of a division, a department in the executive branch, chair or member of a state commission or board, the executive director of the Alaska Tourism Marketing Council, another state employee subject to this chapter, and each appointed or elected municipal officer.

(SEE SECTION 62 of CS SB 141 version Z)

AS 39.50.200 (a) (10) DEFINITION OF ANOTHER STATE EMPLOYEE SUBJECT TO THIS CHAPTER. Means a state employee who is employed in a position in the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 21 or above on the state salary schedule under AS 39.27.011, an assistant to the governor, an assistant to the lieutenant governor, a state investment officer, and the state comptroller in the Department of Revenue, but does not include a state officer or employee who is otherwise included in the definition of "public official" under this section.

(SEE SECTION 63 of CS SB 141 version Z)

AS 39.52.960(21)(A-C) DEFINITION OF PUBLIC OFFICER. Means (A) a public employee; (B) a member of a board or commission; and (C) a state officer designated by the governor to act as trustee of the trust or a person to whom the trustee has delegated trust duties; in this paragraph, "trust" has the meaning given in AS 37.14.450

(NOT AMENDED BY THIS BILL)

AS 39.52.960 (23) DEFINITION OF STATE OFFICIAL. Means governor, lieutenant governor, a person hired or appointed as the head or deputy head of a department in the executive branch or as the director of a division in a department in the executive branch, the chair or member of a state commission or board, the executive director of the Alaska Tourism Marketing Council, an assistant to the governor or lieutenant governor, a state investment officer, the state comptroller in the Department of Revenue, and a state employee who is not otherwise listed in this definition who is employed in

a position in the executive branch of state government in the exempt or partially exempt service and who is compensated at Range 21 or above on the state salary schedule under AS 39.27.011.

(SEE SECTION 90 of CS SB 141 version Z)

Pg 8, 29
Amended pg
Pg 22 line 17
Pg 23 24-28

CS FOR SENATE BILL NO. 14(RES) am
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Amended: 5/1/96
Offered: 5/1/96

Sponsored by SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL FOR THE SELECT COMMITTEE ON LEGISLATIVE ETHICS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to legislative and executive branch ethics; relating to the
2 conduct of lobbyists with respect to public officials; relating to campaigning by
3 state employees; relating to the filing of financial disclosures by certain state
4 employees and officials; making a conforming amendment to the definition of
5 'public official' for employment security statutes; and providing for an effective
6 date."

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

8 Section 1. AS 23.20.52(a-d) is amended to read

9 (d) For the purposes of AS 23.20.52(a)(4) - (6) and (14), the term
10 'employment' does not apply to service performed

11 by a duly ordained, commissioned, or licensed minister of a church
12 in the exercise of the person's ministry or by a member of a religious order in the
13 exercise of duties required by the order.

1 (2) in a facility conducted for the purpose of carrying out a program
2 of rehabilitation for individuals whose earning capacity is impaired by age or physical
3 or mental deficiency or injury or providing remunerative work for individuals who,
4 because of their impaired physical or mental capacity, cannot be readily absorbed in
5 the competitive labor market by an individual receiving the rehabilitation or
6 remunerative work;

7 (3) as part of an unemployment work-relief or work-training program
8 assisted or financed in whole or in part by any federal agency or any agency of a state
9 or political subdivision of the state, by an individual receiving work relief or work
10 training;

11 (4) for a state hospital by an inmate of a prison or correctional
12 institution;

13 (5) in the employ of a school, college, or university [.] if the service
14 is performed by a student who is enrolled and is regularly attending classes at the
15 school, college, or university;

16 (6) by an individual under the age of 22 who is enrolled at a nonprofit
17 or public educational institution that [WICIT] normally maintains a regular faculty
18 and curriculum and normally has a regularly organized body of students in attendance
19 at the place where its educational activities are carried on as a student in a full-time
20 program, taken for credit at the institution, that [WICIT] combines academic
21 instruction with work experience, if the service is an integral part of the program, and
22 the institution has so certified to the employer, except that this paragraph does not
23 apply to service performed in a program established for or on behalf of an employer
24 or group of employers;

25 (7) in the employ of a hospital, if the service is performed by a patient
26 of the hospital, as defined in AS 23.20.520.

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

29 (A) as a judicial officer, the governor, the lieutenant
30 governor, a person hired or appointed as the head or deputy head of a
31 department in the executive branch, a person hired or appointed as the

1 director of a division of a department in the executive branch, an assistant
2 to the governor, a chair or member of a state commission or board, state
3 investment officers and the state comptroller in the Department of
4 Revenue, the executive director of the Alaska Tourism Marketing Council,
5 an appointed or elected municipal officer ["PUBLIC OFFICIAL"
6 AS DEFINED IN AS 39.50.200(a)], any other elected official, the fiscal analyst
7 of the legislative finance division, the legislative auditor of the legislative audit
8 division, the executive director of the Legislative Affairs Agency, and the
9 directors of the divisions within the Legislative Affairs Agency:

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

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

14 (9) in the employ of

15 (A) a church or a convention or association of churches; or

16 (B) an organization that [WHICH] is operated primarily for
17 religious purposes and that [WHICH] is operated, supervised, controlled, or
18 principally supported by a church or a convention or association of churches

19 * Sec. 2. AS 24.25.010(e) is amended to read:

20 (e) This section does not apply to the legislative council, the Select
21 Committee on Legislative Ethics, or [NOR TO] the Legislative Budget and Audit
22 Committee.

23 * Sec. 3. AS 24.45 is amended by adding a new section to read:

24 Sec. 24.45.165. SPOUSES AND COHABITANTS OF LEGISLATORS. (a)

25 A spouse of or a person cohabitating with a legislator may not engage in lobbying the
26 legislature during the legislator's term of office.

27 (b) In this section,

28 (1) "engage in lobbying" means to act as a lobbyist.

29 (2) "person cohabitating with a legislator" means a person who is
30 cohabitating with the legislator in a conjugal relationship that is not a legal marriage.

31 * Sec. 4. AS 24.45.121(12) is amended to read:

1 (12) "public official" or "public officer" means a

2 (A) public official as defined in AS 39.50.200(a) but does not
3 include a judicial officer or an elected or appointed municipal officer;

4 (B) [.] a member of the legislature; [.] or

5 (C) a legislative director or another legislative employee who
6 is subject to disclosure as defined in AS 24.60.990(a) [; HOWEVER, IT
7 DOES NOT INCLUDE A JUDICIAL OFFICER OR AN ELECTED OR
8 APPOINTED MUNICIPAL OFFICER].

9 • Sec. 5. AS 24.60.030(a) is amended to read:

10 (a) A legislator or legislative employee may not

11 (1) solicit, agree to accept, or accept a benefit other than official
12 compensation for the performance of public duties; this paragraph may not be
13 construed to prohibit lawful solicitation for and acceptance of campaign contributions
14 or the acceptance of a lawful gratuity under AS 24.60.080;

15 (2) use public funds, facilities, equipment, services, or another
16 government asset or resource for a nongovernmental purpose or for the private benefit
17 of either the legislator, legislative employee, or another person; this paragraph does not
18 prohibit

19 (A) [LIMITED] use of state property and resources for personal
20 purposes if the use does not interfere with the performance of public duties and
21 either the cost or value related to the use is nominal or the legislator or
22 legislative employee reimburses the state for the cost; a legislative
23 employee shall comply with the policy on use of state property adopted by
24 the employee's supervisor; this subparagraph does not apply to telephone
25 or facsimile use;

26 (B) the use of mailing lists, computer data, or other information
27 lawfully obtained from a government agency and available to the general public
28 for nongovernmental purposes, or

29 (C) telephone or facsimile use; however, a legislator or
30 legislative employee who incurs a special charge for use of the telephone
31 or facsimile machine shall reimburse the state for the cost [THAT DOES

1 NOT CARRY A SPECIAL CHARGE];

2 (3) knowingly seek, accept, use, allocate, grant, or award public funds
3 for a purpose other than that approved by law, or make a false statement in connection
4 with a claim, request, or application for compensation, reimbursement, or travel
5 allowances from public funds;

6 (4) require a legislative employee to perform services for the private
7 benefit of the legislator or employee at any time, or allow a legislative employee to
8 perform services for the private benefit of a legislator or employee on government
9 time; it is not a violation of this paragraph if the services were performed in an
10 unusual or infrequent situation and the person's services were reasonably necessary to
11 permit the legislator or legislative employee to perform official duties;

12 (5) use or authorize the use of state funds, facilities, equipment,
13 services, or another government asset or resource for the purpose of political fund
14 raising or campaigning; this paragraph does not prohibit

15 (A) [LIMITED] use of state property and resources for personal
16 purposes if the use does not interfere with the performance of public duties and
17 either the cost or value related to the use is nominal or the legislator or
18 legislative employee reimburses the state for the cost; a legislative
19 employee shall comply with the policy on use of state property adopted by
20 the employee's supervisor; this subparagraph does not apply to telephone
21 or facsimile use.

22 (B) the use of mailing lists, computer data, or other information
23 lawfully obtained from a government agency and available to the general public
24 for nongovernmental purposes; [OR]

25 (C) telephone or facsimile use; however, a legislator or
26 legislative employee who incurs a special charge for use of the telephone
27 or facsimile machine shall reimburse the state for the cost; or

28 (D) maintaining campaign records, including records
29 required by or relating to the Alaska Public Offices Commission, in a
30 legislator's office; however, an employee may not work on campaign
31 records on government time [THAT DOES NOT CARRY A SPECIAL

1 CHARGE].

2 * Sec. 6. AS 24.60.030(e) is repealed and reenacted to read:

3 (c) Unless approved by the committee, during a campaign period for an
4 election in which the legislator or legislative employee is a candidate, a legislator or
5 legislative employee may not use or permit another to use state funds, other than funds
6 to which the legislator is entitled as an office allowance, to print or distribute a
7 political mass mailing to individuals eligible to vote for the candidate. In this
8 subsection,

9 (1) a "campaign period" is the period that

10 (A) begins 90 days before an election to the board of an electric
11 or telephone cooperative organized under AS 10.25, a municipal election or a
12 primary election or that begins on the date of the governor's proclamation
13 calling a special election; and

14 (B) ends the day after the cooperative election, municipal
15 election, or the general or special election;

16 (2) a mass mailing is considered to be political if it is from or about a

17 (A) legislator who is a candidate for reelection to the legislature
18 or election to another federal, state, or municipal office or to the board of a
19 telephone or electric cooperative;

20 (B) legislative employee who is a candidate for election to the
21 legislature or another federal, state, or municipal elective office or to the board
22 of a telephone or electric cooperative;

23 (C) person other than a legislator or a legislative employee who
24 is a candidate for election to a federal, state, or municipal office or to the board
25 of a telephone or electric cooperative.

26 * Sec. 7. AS 24.60.030(d) is amended to read:

27 (d) A legislator, a legislative employee, or another person on behalf of the
28 legislator or legislative employee, or a campaign committee of the legislator or
29 legislative employee, may not distribute or post campaign literature, placards, posters,
30 fund-raising notices, or other communications intended to influence the election of
31 a candidate in an election in public areas in a facility ordinarily used to conduct state

1 government business. For purposes of this subsection, the office of a legislator is
2 not considered to be a public area.

3 * Sec. 8. AS 24.60.030(f) is amended to read:

4 (f) A legislative employee may not serve in a position that requires
5 confirmation by the legislature. A legislator or legislative employee may serve on a
6 board of an organization, including a governmental entity, that regularly has a
7 substantial interest in the legislative activities of the legislator or employee, if the
8 legislator or employee discloses the board membership to the committee. A legislator
9 or legislative employee who is required to make a disclosure under this subsection
10 shall file an annual written report with the committee by February 15 of each
11 year stating the name of each organization on whose board the person serves. If
12 the legislator or legislative employee becomes a member of a board after filing the
13 annual disclosure statement, or after February 15 if no annual disclosure
14 statement is filed, the legislator or legislative employee shall file a supplemental
15 disclosure within 60 days after appointment or election to the board. The
16 committee shall maintain a public record of the disclosure and forward the
17 disclosure to the appropriate house for inclusion in the journal. This subsection
18 does not require a legislator or legislative employee who is appointed to a board
19 by the presiding officer to make a disclosure of the appointment to the committee
20 if the appointment has been published in the appropriate legislative journal
21 during the calendar year.

22 * Sec. 9. AS 24.60.030(g) is repealed and reenacted to read:

23 (g) A legislator or legislative employee who has a substantial financial interest
24 that may be affected by legislative, administrative, or political action may not take the
25 legislative, administrative, or political action unless the legislator or legislative
26 employee first discloses the financial interest as required by this subsection. Before
27 acting on a matter subject to this subsection in a legislative committee or a house of
28 the legislature, a legislator or legislative employee shall orally disclose the financial
29 interest to the committee or the legislative house, as appropriate. The disclosure shall
30 be reported in the journal or in the committee minutes, as appropriate. If the action
31 is not taken in a legislative committee or a house of the legislature, the legislator or

1 legislative employee shall disclose the financial interest to the ethics committee in
2 writing, to be received by the ethics committee within seven days after the legislator
3 or legislative employee took the action. This written disclosure is a public document.
4 The ethics committee shall promptly forward the disclosure to the clerk of the house
5 or the senate secretary for publication in the journal. A disclosure under this
6 subsection, whether written or oral, must include the nature of the financial interest and
7 a short description of how the action taken affects the interest. In this subsection, a
8 financial interest includes

9 (1) an equity or ownership interest in a business, investment, real
10 property, lease, or other enterprise if the effect of the action on that interest is greater
11 than the effect on a substantial class of persons to which the legislator or legislative
12 employee belongs as a member of a profession, occupation, industry, or region;

13 (2) an interest based on employment of the legislator or legislative
14 employee or the spouse or dependent child of the legislator or legislative employee;

15 (3) an interest based on a contract in which the legislator or legislative
16 employee or the spouse or dependent child of the legislator or legislative employee is
17 entitled to receive a benefit from a business or other entity, including a personal
18 services contract.

19 (4) an interest created by membership on the board of directors of a
20 corporation regardless of whether the effect of the action on that interest is greater than
21 the effect on a substantial class of persons to which the legislator or legislative
22 employee belongs as a member of a profession, occupation, industry, or region.

23 * Sec. 10. AS 24.60.030 is amended by adding a new subsection to read:

24 (h) In this section, when determining whether an employee is considered to be
25 performing a task on government time, the committee shall consider the employee's work
26 schedule as set by the employee's immediate supervisor. An employee who engages in
27 political campaign activities other than incidental campaign activities as described in this
28 subsection during the employee's work day shall take leave for the period of
29 campaigning. ~~Political~~ ^{Incidental} campaign activities while on government time are permissible if
30 the activities are part of the normal legislative duties of the employee, including
31 answering telephone calls and handling of incoming correspondence.

32 * Sec. 11. AS 24.60.031(a) is amended to read:

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(a) A legislator or legislative employee may not

(1) on a day when either house of [WHILE] the legislature is in regular or special session, solicit or accept a contribution or a promise or pledge to make a contribution for a state legislative campaign;

(2) accept money from an event held on a day when either house of the legislature is in regular or special [DURING A LEGISLATIVE] session if a substantial purpose of the event is [EITHER] to raise money on behalf of the member or legislative employee for [CAMPAIGN PURPOSES OR TO RAISE MONEY FOR] state legislative political purposes; or

(3) expend money in a state legislative campaign that was raised by or on behalf of a legislator on a day when either house of the legislature was in [DURING] a legislative session under a declaration of candidacy or a general letter of intent to become a candidate for public office.

* Sec. 12. AS 24.60.039 is amended by adding a new subsection to read:

(b) If a person files a complaint with the committee under AS 24.60.170 alleging a violation of this section, the committee may refer the complainant to the State Commission on Human Rights and may defer its consideration of the complaint until after the complainant establishes to the satisfaction of the committee that the commission has completed its proceedings in the matter.

* Sec. 13. AS 24.60.040(a) is amended to read:

(a) A legislator or legislative employee, or a member of the immediate family of a legislator or legislative employee may not be a party to or have an interest in a state contract or lease unless the contract or lease is let [THROUGH COMPETITIVE SEALED BIDDING] under AS 36.30 (State Procurement Code) or, for agencies that are not subject to AS 36.30, under similar procedures or the total annual amount of the state contract or lease is \$5,000 [5,000] or less, or is a standardized contract or lease that was developed under publicly established guidelines and is generally available to the public at large or to [.] members of a profession, occupation, or group. A person has an interest in a state contract or lease under this section if the person receives direct or indirect financial benefits. A legislator or legislative employee who participates in, or who knows or reasonably ought to know that a family member is participating in, a state contract or lease that has an annual value of \$5,000 or more shall disclose

1 the participation to the committee by February 15 of each year. The disclosure
2 must state the amount of the contract or lease and the name of the state agency
3 issuing the contract or lease, and must identify the procedures under which the
4 contract or lease was issued. If the disclosure concerns a contract or lease in which
5 a family member of the discloser is participating, the disclosure must identify the
6 relationship between the participant and the discloser.

7 * Sec. 14. AS 24.60.040 is amended by adding a new subsection to read:

8 (c) This section does not apply to a contract or lease issued under a state
9 program or loan that is subject to AS 24.60.050. A grant that results in a contract but
10 that is not subject to AS 24.60.050 is subject to this section.

11 * Sec. 15. AS 24.60.050(c) is amended to read:

12 (c) A legislator or legislative employee who participates in a program or receives
13 a loan that is not exempt from disclosure under (a) of this section shall file a written
14 report with the committee by February 15 of each year stating the amounts of the loans
15 outstanding or benefits received during the preceding calendar year from nonqualifying
16 programs. If the committee requests additional information necessary to determine the
17 propriety of participating in the program or receiving the loan, it shall be promptly
18 provided. The committee shall promptly compile a list of the statements indicating the
19 loans and programs and amounts and send it to the presiding officer of each house who
20 shall have it published in the supplemental journals within three weeks after [OF] the
21 filing date. A legislator or legislative employee who believes that disclosure of
22 participation in a program would be an invasion of the participant's right to
23 privacy under the state constitution may request the committee to keep the
24 disclosure confidential. If the committee finds that publication would constitute an
25 invasion of privacy, the committee shall publish only the fact that a person has
26 participated in the program and the amount of benefit that the unnamed person
27 received. The committee shall maintain the disclosure of the name of the person
28 as confidential and may only use the disclosure in a proceeding under AS 24.60.170.
29 If the disclosure becomes part of the record of a proceeding under AS 24.60.170,
30 the disclosure may be made public as provided in that section.

31 * Sec. 16. AS 24.60.060 is amended by adding a new subsection to read:

32 (b) A legislator or legislative employee who is the subject of a complaint under

1 AS 24.60.170 violates this section if the legislator or legislative employee violates a
2 protective order issued under AS 24.60.170(i).

3 * Sec. 17. AS 24.60.070(b) is amended to read:

4 (b) A legislator or legislative employee required to make a disclosure under
5 this section shall make an annual disclosure no later than February 15 of each year
6 of the legislator's or legislative employee's close economic associations then in
7 existence. If the legislator or legislative employee forms a close economic association
8 after that date, the disclosure must be made within 60 days after forming the
9 association. A disclosure under this section must be sufficiently detailed that a reader
10 of the disclosure can ascertain the nature of the association.

11 * Sec. 18. AS 24.60.070 is amended by adding a new subsection to read:

12 (d) When making a disclosure under (a) of this section concerning a relationship
13 with a lobbyist to whom the legislator or legislative employee is married or who is the
14 legislator's or legislative employee's spousal equivalent, the legislator or legislative
15 employee shall also disclose the name and address of each employer of the lobbyist and
16 the total monetary value received from the lobbyist's employer. The legislator or
17 legislative employee shall report changes in the employer of the spouse or spousal
18 equivalent within 48 hours after the change. In this subsection,

19 (1) "employer of the lobbyist" means the person from whom the lobbyist
20 received amounts or things of value for engaging in lobbying on behalf of the person;

21 (2) "spousal equivalent" means a person with whom the legislator or
22 legislative employee is living in a conjugal relationship not a legal marriage.

23 * Sec. 19. AS 24.60.080(a) is amended to read

24 (a) Except as provided in this section, a [A] legislator or legislative employee
25 may not solicit, accept, or receive, directly or indirectly, a gift worth \$250 [\$100] or
26 more, whether in the form of money, services, a loan, travel, entertainment, hospitality,
27 promise, or other form, or gifts from the same person worth less than \$250 [\$100] that
28 in a calendar year aggregate to \$250 [\$100] or more in value. Except for food or
29 beverage for immediate consumption, a legislator or legislative employee [AND]
30 may not solicit, accept, or receive during a legislative session a gift with any monetary
31 value from a lobbyist or a person acting on behalf of a lobbyist.

32 * Sec. 20. AS 24.60.080(c) is amended to read

1 (c) Notwithstanding (a) of this section, it is not a violation of this section for a
2 legislator or legislative employee to accept

3 (1) hospitality, other than hospitality described in (4) of this subsection

4 (A) with incidental transportation at the residence of a person;
5 however, a vacation home located outside the state is not considered a
6 residence for the purposes of this subparagraph; or

7 (B) at a social event or meal;

8 (2) discounts that are available

9 (A) generally to the public or to a large class of persons to which
10 the person belongs; or

11 (B) when on state business;

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

14 (4) travel and hospitality primarily for the purpose of obtaining
15 information on matters of legislative concern;

16 (5) gifts from the immediate family of the person; or

17 (6) gifts that are not connected with the recipient's legislative status.

18 * Sec. 21. AS 24.60.080(d) is amended to read:

19 (d) A legislator or legislative employee who accepts a gift under (c)(3) [OR (6)]
20 of this section shall disclose the gift if it has a value of \$250 [\$100] or more; the [
21 THE] disclosure must include the name and occupation of the person making the gift and
22 the approximate value of the gift. A gift under (c)(3) of this section required to be
23 disclosed under this subsection shall be disclosed to the committee within 30 days after
24 [OF] the receipt of the gift. Except as provided in (i) of this section, a gift [TO THE
25 COMMITTEE GIFTS] under (c)(6) of this section that has a value of \$250 or more
26 shall be disclosed to the committee annually on or before February 15 [APRIL 15] of
27 the following calendar year; the [AND THE] disclosure needs to include only a
28 description of the gift and the identity of the donor [THE VALUE ONLY IF THE
29 VALUE OF THE GIFT EXCEEDS \$250]. The committee shall maintain a public record
30 of the disclosure it receives relating to gifts under (c)(3) of this section and shall forward
31 the disclosure to the appropriate house for inclusion in the journal. Disclosures relating
32 to gifts under (c)(6) of this section shall be maintained, but are confidential and may only

1 be used by the committee and its employees and contractors in the investigation of a
2 possible violation of this section or in a proceeding under AS 24.60.170. If the
3 disclosures become part of the record of a proceeding under AS 24.60.170, the
4 confidentiality provisions of that section apply to the disclosures. The committee shall
5 forward disclosures it receives from legislators concerning gifts under (c)(4) of this
6 section to the Alaska Public Officers Commission.

7 * Sec. 22. AS 24.60.080(f) is amended to read:

8 (f) Notwithstanding (a) of this section, a legislator or legislative employee may
9 accept a gift of property worth \$250 [~~\$100~~] or more, other than money, from a foreign
10 government or from the government of the United States or another state or from
11 an official of a foreign government or of the government of the United States or
12 another state if the person accepts the gift on behalf of the legislature. The person shall,
13 within 60 days after [~~of~~] receiving the gift, deliver the gift to the legislative council,
14 which shall determine the appropriate disposition of the gift.

15 * Sec. 23. AS 24.60.080(g) is amended to read:

16 (g) In this section, "immediate family" or "family member" means

17 (1) the spouse of the person;

18 (2) another person cohabiting with the person in a conjugal
19 relationship that is not a legal marriage;

20 (3) a child, including a stepchild and an adoptive child, of the person;

21 (4) a parent, sibling, grandparent, aunt, or uncle of the person; and

22 (5) a parent, sibling, grandparent, aunt, or uncle of the person's

23 spouse [HAS THE MEANING GIVEN IN AS 24.60.090(a)(5) AND INCLUDES THE
24 GRANDPARENTS, AUNTIES, AND UNCLIES OF A PERSON, AND ALSO INCLUDES
25 A PERSON DESCRIBED IN THIS SUBSECTION OR AS 24.60.090(a)(5) WHO IS
26 RELATED TO THE PERSON BY MARRIAGE].

27 * Sec. 24. AS 24.60.080 is amended by adding new subsections to read:

28 (h) Notwithstanding (c) of this section, a legislator or legislative employee may
29 solicit, accept, or receive a gift on behalf of a recognized, nonpolitical charitable
30 organization in accordance with guidelines adopted by the committee.

31 (i) A legislator or legislative employee who receives an inheritance from a
32 person other than a family member shall disclose the fact of the receipt of an

1 inheritance and the identity of the person from whom it was received to the committee
2 within 60 days after receiving notice of the inheritance. The committee shall maintain
3 a public record of the disclosure. This subsection does not require disclosure of the
4 value of the inheritance.

5 (j) A legislator, a legislative committee other than the Select Committee on
6 Legislative Ethics, or a legislative agency may accept (1) a gift of volunteer services
7 for legislative purposes so long as the person making the gift of services is not
8 receiving compensation from another source for the services or (2) a gift of the
9 services of a trainee who is participating in an educational program approved by the
10 committee if the services are used for legislative purposes. The committee shall
11 approve training under a program of the University of Alaska and training under 29
12 U.S.C. 1501 - 1792b (Job Training Partnership Act). A legislative volunteer or
13 educational trainee shall be considered to be a legislative employee for purposes of
14 compliance with AS 24.60.030 - 24.60.039, 24.60.060, 24.60.080, 24.60.085, 24.60.158
15 - 24.60.170, 24.60.176, and 24.60.178. If a person believes that a legislative volunteer
16 or educational trainee has violated the provisions of one of those sections, the person
17 may file a complaint under AS 24.60.170. The provisions of AS 24.60.170 apply to
18 the proceeding. This subsection does not permit a legislator or legislative employee
19 to accept a gift of services for nonlegislative purposes.

20 (k) A legislator or legislative employee who knows or reasonably ought to
21 know that a family member has received a gift because of the family member's
22 connection with the legislature through the legislator or legislative employee shall
23 report the receipt of the gift by the family member to the committee if the gift would
24 have to be reported under this section if it had been received by the legislator or
25 legislative employee or if receipt of the gift by a legislator or legislative employee
26 would be prohibited under this section.

27 (l) In this section, the value of a gift shall be determined by the fair market
28 value of the gift to the extent that the fair market value can be determined.

29 * Sec. 25. AS 24.60.085(a) is amended to read:

30 (a) A legislator or legislative employee may not

31 (1) seek or accept compensation for personal services that is

1 significantly greater than the value of [INVOLVES PAYMENTS THAT ARE NOT
2 COMMENSURATE WITH] the services rendered taking into account the higher rates
3 generally charged by specialists in a profession; or

4 (2) accept a payment of anything of value, except for actual and
5 necessarily incurred travel expenses, for an appearance or speech by the legislator or
6 legislative employee; this paragraph does not apply to the salary paid to a legislator
7 or legislative employee for making an appearance or speech as part of the legislator's
8 or legislative employee's normal course of employment.

9 * Sec. 26. AS 23.60.100 is amended to read:

10 Sec. 23.60.100. REPRESENTATION. A legislator or legislative employee
11 who represents another person for compensation before an agency, board, or
12 commission of the state shall disclose the name of the person represented, the subject
13 matter of the representation, and the body before which the representation is to take
14 place to the committee. The disclosure shall be made within 60 days after
15 beginning the representation. In addition, a legislator or legislative employee
16 shall, no later than February 15, make an annual disclosure of all of the clients
17 represented during the previous calendar year. The committee shall maintain a
18 public record of a [THE] disclosure under this section and forward the disclosure to
19 the respective house for inclusion in the journal. A legislator or legislative employee
20 may not represent another person for compensation before an agency, committee, or
21 other entity of the legislative branch.

22 * Sec. 27. AS 23.60 is amended by adding a new section to article 2 to read:

23 Sec. 23.60.111. LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS.

24 (a) A legislator or legislative employee may establish a fund to assist with the
25 payment of attorney fees and other costs arising from the legislator's or employee's
26 defense of a civil, criminal, or administrative action brought against the legislator or
27 employee arising out of or relating to political, legislative, or public policy matters, or
28 from the prosecution or defense of an administrative or judicial action concerning a
29 contested election in which the legislator or employee is a candidate. Contributions
30 to a fund under this section are not subject to the restrictions of AS 23.60.080.

31 (b) The Alaska Public Offices Commission shall adopt regulations relating to

1 the methods of establishing a fund under this section, the accounting requirements for
2 a fund, the uses for which money from the fund may be expended, and the disposition
3 of surplus money in the fund. A person who violates these regulations is guilty of a
4 class B misdemeanor and is subject to civil sanctions as recommended by the
5 committee under AS 24.60.178.

6 * Sec. 28. AS 24.60.111 is repealed and reenacted to read:

7 Sec. 24.60.111. LEGAL DEFENSE AND ELECTION CHALLENGE FUNDS.

8 (a) A legislator or legislative employee may establish a fund to assist with the
9 payment of attorney fees and other costs arising from the legislator's or employee's
10 defense of a civil, criminal, or administrative action brought against the legislator or
11 employee arising out of or relating to political, legislative, or public policy matters, or
12 from the prosecution or defense of an administrative or judicial action concerning a
13 contested election in which the legislator or legislative employee was a candidate.

14 (b) Notwithstanding the deadlines imposed by AS 15.13.070(d), contributions
15 to the fund may be solicited, offered, and accepted at any time permitted under this
16 chapter. Notwithstanding AS 15.13.070(e), a legislator or legislative employee may
17 solicit and accept contributions to a fund established under this section at any time
18 whether or not the legislature is in session. Notwithstanding AS 15.13.072, a legislator
19 or legislative employee may use the fund for the purposes set out in (a) of this section.
20 Notwithstanding AS 15.13.073, a legislator or legislative employee may distribute
21 money in the candidate's campaign fund or other assets of the campaign remaining
22 after the date of an election to a fund established under this section.

23 (c) Contributions to a fund under this section are not subject to the restrictions
24 of AS 24.60.031 or 24.60.080.

25 (d) The Alaska Public Offices Commission shall adopt regulations relating to
26 the methods of establishing a fund under this section, the accounting requirements for
27 a fund, the uses for which money from the fund may be expended, and the disposition
28 of surplus money in the fund. A person who violates these regulations is guilty of a
29 class B misdemeanor and is subject to civil sanctions as recommended by the
30 committee under AS 24.60.178.

31 * Sec. 29. AS 24.60.130(f) is amended to read:

1 (f) The committee may contract for professional services and may employ staff
2 as it considers necessary. A committee employee, including a person who provides
3 personal services under a contract with the committee, may not be a legislator
4 elected or appointed official of a state or local governmental entity, an officer
5 of a political party, a candidate for public office, or a registered lobbyist. The legislative
6 council shall provide office space, equipment, and additional staff support for the
7 committee. The committee shall submit a budget for each fiscal year to the finance
8 committees of the legislature and shall annually submit an estimated budget to the
9 governor for information purposes in preparation of the state operating budget. Public
10 members of the committee serve without compensation for their services, but are
11 entitled to travel and per diem expenses authorized for members of state boards
12 and commissions under AS 39.20.180.

13 * Sec. 30. AS 23.60.130(h) is amended to read:

14 (h) A member is disqualified from participating as a member in any
15 proceeding before the committee involving a complaint against the member or an
16 employee whose work is supervised by the member or an advisory opinion
17 requested by the member. If a regular legislative member is disqualified under this
18 subsection, an alternate shall be appointed under (g) of this section. [IF THE
19 LEGISLATURE IS IN SESSION WHEN A LEGISLATIVE MEMBER IS
20 DISQUALIFIED UNDER THIS SUBSECTION, THE PRESIDING OFFICER OF
21 THAT MEMBER'S HOUSE SHALL, WITH THE CONCURRENCE BY ROLL
22 CALL VOTE OF TWO-THIRDS OF THE FULL MEMBERSHIP OF THAT HOUSE,
23 APPOINT ANOTHER MEMBER FROM THAT HOUSE TO ACT AS A MEMBER
24 OF THE COMMITTEE IN THE PROCEEDING. IF THE LEGISLATURE IS NOT
25 IN SESSION WHEN A LEGISLATIVE MEMBER IS DISQUALIFIED, THE
26 PRESIDING OFFICER OF THE HOUSE OF WHICH THE DISQUALIFIED
27 LEGISLATOR IS A MEMBER SHALL APPOINT ANOTHER MEMBER FROM
28 THAT HOUSE, WITH A RECORDED CONCURRENCE OF A MAJORITY VOTE
29 OF THE SUBCOMMITTEE OF THAT HOUSE, TO ACT AS A MEMBER OF THE
30 COMMITTEE IN THE PROCEEDING.]

31 * Sec. 31. AS 23.60.130 is amended by adding a new subsection to read:

1 (o) When appointing members of the legislature to serve on the committee, the
2 speaker of the house or the president of the senate, as appropriate, shall appoint an
3 alternate member for each regular member. An alternate must have the same
4 qualifications as the regular member for whom the alternate stands as alternate and is
5 subject to confirmation as required for the regular member. If a regular legislative
6 member of the committee or a subcommittee is disqualified under (h) of this section
7 from serving on the committee or the subcommittee during a proceeding under
8 AS 24.60.170, the chair of the committee or a subcommittee shall appoint the regular
9 member's alternate to serve in place of the regular member in the proceeding unless
10 the alternate is also disqualified from serving. The appointment shall be treated as
11 confidential to the same extent that the identity of the subject of a complaint is
12 required to be kept confidential.

13 * Sec. 32. AS 24.60.134(a) is amended to read

14 (a) Except as provided in (d) of this section, in [IN] addition to the
15 requirements of this chapter, a public member of the committee, an employee of the
16 committee, or a person under contract to provide personal services to the committee
17 may not, during the person's term of office or employment or during the life of
18 the contract, participate in

19 (1) [PARTICIPATE IN] political management or in a political
20 campaign for a candidate for election to federal, state, or local office, regardless
21 of whether the campaign is partisan or nonpartisan, or for a ballot measure of
22 any type [DURING THE PERSON'S TERM OF OFFICE, EMPLOYMENT, OR
23 CONTRACT],

24 (2) [PARTICIPATE IN] the campaign of, attend campaign fund-raising
25 events for, or make a financial contribution to

26 (A) a candidate for the legislature,

27 (B) an incumbent legislator or legislative employee who is a
28 candidate for another public office, or

29 (C) a person running for another office against an incumbent
30 legislator or legislative employee, or

31 (3) [PARTICIPATE IN] lobbying activities that would require the

1 person to register as a lobbyist except as required to inform the legislature concerning
2 legislation requested by the committee or other matters related to the committee.

3 * Sec. 33. AS 24.60.134 is amended by adding new subsections to read:

4 (c) In addition to the prohibitions under (a) of this section and except as
5 provided in (d) of this section, a public member of the committee, an employee of the
6 committee, or a person under contract to provide personal services to the committee
7 may not, during the duration of the person's term of office or employment, or during
8 the life of the contract, participate in or attend a fund-raising event held on behalf of
9 a political party.

10 (d) A person under contract to provide personal services to the committee who
11 is part of a corporation or partnership that includes individuals who will not be
12 participating directly in the work performed by the entity for the committee may
13 request the committee to exclude members of the entity from some or all of the
14 provisions of this section. The committee may grant the request if it finds that doing
15 so will not lead to the appearance that the committee is subject to undue political
16 influence and if there is no appearance of impropriety.

17 * Sec. 34. AS 24.60.500(b) is amended to read:

18 (b) The committee may

19 (1) recommend legislation to the legislature the committee considers
20 desirable or necessary to promote and maintain high standards of ethical conduct in
21 government;

22 (2) subpoena witnesses, administer oaths, and take testimony relating
23 to matters before the committee, and may require the production for examination of
24 any books or papers relating to any matter under investigation before the committee;

25 (3) adopt guidelines to implement this chapter; in adopting
26 guidelines, the committee shall provide notice of its intended action and an
27 opportunity for public comment; a person who reasonably relies on a guideline
28 adopted by the committee may not be penalized for having violated a conflicting
29 provision of this chapter.

30 * Sec. 35. AS 24.60.140 is amended to read:

31 Sec. 24.60.140. ADVISORY OPINIONS. (a) The committee shall issue an

1 advisory opinion within 60 [30] days on the request of a person to whom the chapter
2 applies or a person elected to the legislature who at the time of election is not a
3 member of the legislature as to whether the facts and circumstances of a particular case
4 constitute a violation of ethical standards. If it finds that it is advisable to do so, the
5 committee may issue an opinion under this section on the request of a person who
6 reasonably expects to become subject to this chapter within the next 45 days. The
7 60-day [30-DAY] period for issuing an opinion may be extended by the committee if
8 the person requesting the opinion consents.

9 (b) An [FFF] opinion issued under this section is binding on the committee
10 in any subsequent proceedings concerning the facts and circumstances of the particular
11 case unless material facts were omitted or misstated in the request for the advisory
12 opinion. Except as provided in this chapter, an advisory opinion is confidential but
13 shall be made public if a written request by the person who requested the opinion is
14 filed with the committee. A person who requested an opinion, including a
15 legislator, may not require admittance to an executive session of the committee
16 when it is deliberating concerning the advisory opinion request.

17 * Sec. 36, AS 23 (d) (7)(a) is amended to read:

18 (a) The committee shall consider a complaint alleging a violation of this
19 chapter if the alleged violation occurred within five years before [01] the date that the
20 complaint is filed with the committee and, when the subject of the complaint is a
21 former member of the legislature, the complaint is filed within one year after [01] the
22 subject's departure from the legislature. The committee may not consider a complaint
23 filed against all members of the legislature, against all members of one house of
24 the legislature, or against a person employed by the legislative branch of government
25 after the person has terminated legislative service. However, the committee may
26 reinstitute proceedings concerning a complaint that was closed because a former
27 employer terminated legislative service or because a legislator left the legislature
28 if the former employer or legislator resumes legislative service, whether as an
29 employee or legislator, within five years after the alleged violation. The committee
30 may also initiate complaints on its own motion, subject to the same time limitations.
31 The time limitations of this subsection do not bar proceedings against a person who

1 intentionally prevents discovery of a violation of this chapter.

2 * Sec. 37. AS 24.60.170(b) is amended to read:

3 (b) A complaint may be initiated by any person. The complaint must be in
4 writing and signed under oath by the person making the complaint. The committee
5 shall upon request provide a form for a complaint to a person wishing to file a
6 complaint. The committee shall immediately provide a copy of the complaint to the
7 person who is the subject of the complaint. The committee shall advise the
8 complainant of the provisions concerning release of confidential information set
9 out in (i) of this section.

10 * Sec. 38. AS 24.60.170(c) is amended to read:

11 (c) When the committee receives a complaint under (a) of this section, it may
12 assign the complaint to a staff person. The staff person shall conduct a
13 preliminary examination of the complaint and recommend to the committee
14 whether the allegations of the complaint, if true, constitute a violation of this
15 chapter and whether there is credible information to indicate that a further
16 investigation and proceeding is warranted. The recommendation shall be based
17 on the information and evidence contained in the complaint as supplemented by
18 the complainant and the subject of the complaint, if requested to do so by the
19 staff member. The committee shall consider the recommendation of the staff
20 member and shall determine whether the allegations of the complaint, if true,
21 constitute a violation of this chapter. If the committee determines that the allegations,
22 if proven, would not give rise to a violation, that the complaint is frivolous on its
23 face, that there is insufficient credible information that can be uncovered to
24 warrant further investigation by the committee, or that [] the committee's lack
25 of jurisdiction is apparent on the face of the complaint, the committee shall dismiss the
26 complaint [] and shall notify the complainant and the subject of the complaint of the
27 dismissal. The committee may ask the complainant to provide clarification or
28 additional information before it makes a decision under this subsection and may
29 request information concerning the matter from the subject of the complaint. The
30 subject of a complaint is not obligated to provide the information. A proceeding
31 conducted under this subsection, documents that are part of a proceeding, and a

1 dismissal under this subsection are confidential as provided in (f) of this section
2 unless the subject of the complaint waives confidentiality as provided in that
3 subsection.

4 * Sec. 39. AS 24.60.170(f) is amended to read:

5 (f) If the committee determines after investigation that there is not probable
6 cause to believe that the subject of the complaint has violated this chapter, the
7 committee shall dismiss the complaint. The committee may also dismiss portions of
8 a complaint if it finds no probable cause to believe that the subject of the complaint
9 has violated this chapter as alleged in those portions. The committee shall issue a
10 decision explaining its dismissal. Committee deliberations and vote on the
11 dismissal order and decision are not open to the public ~~on the subject of the~~
12 ~~complaint.~~ A copy of the dismissal order and decision shall be sent to the
13 complainant and to the subject of the complaint. Notwithstanding (f) of this section,
14 a dismissal order and decision is open to inspection and copying by the public.

15 * Sec. 40. AS 24.60.170(g) is amended to read:

16 (g) If the committee investigation determines that a probable violation of this
17 chapter exists that may be corrected by action of the subject of the complaint and that
18 does not warrant sanctions other than correction, the committee may issue an opinion
19 recommending corrective action. This opinion shall be provided to the complainant
20 and to the subject of the complaint, and is open to inspection by the public. The
21 subject of the complaint may comply with the opinion or may request a hearing before
22 the committee under (j) of this section. After the hearing the committee may amend
23 or affirm the opinion. If the subject of the complaint agrees to comply with the
24 opinion but later fails to complete the corrective action in a timely manner, the
25 committee may formally charge the person as provided in (h) of this section or
26 may refer the matter to the appropriate house of the legislature, in the case of a
27 legislator, or, in the case of a legislative employee, to the employee's appointing
28 authority. The appropriate house of the legislature or the appointing authority,
29 as appropriate, may take action to enforce the corrective action or may decline
30 to take action and refer the matter to the committee. In that case, the committee
31 may formally charge the person under (h) of this section.

1 • Sec. 41. AS 24.60.170(h) is amended to read:

2 (h) If the subject of a complaint fails to comply with an opinion and the
3 committee formally charges the person [ISSUED] under (g) of this section, or if the
4 committee determines after investigation that there is probable cause to believe that the
5 subject of the complaint has committed a violation of this chapter that may require
6 sanctions instead of or in addition to corrective action, the committee shall formally
7 charge the person. The charge shall be served on the person charged, in a manner
8 consistent with the service of summons under the rules of civil procedure, and a copy
9 of the charge shall be sent to the complainant. The person charged may file a
10 responsive pleading to the committee admitting or denying some or all of the
11 allegations of the charge.

12 • Sec. 42. AS 24.60.170(i) is amended to read:

13 (i) A person charged under (h) [(b)] of this section may engage in discovery
14 in a manner consistent with the Alaska Rules of Civil Procedure. The committee may
15 adopt procedures that

16 (1) impose reasonable restrictions on the time for this discovery and on
17 the materials that may be discovered;

18 (2) permit a person who is the subject of a complaint to engage in
19 discovery at an earlier stage of the proceedings;

20 (3) impose reasonable restrictions on the release of information that
21 the subject of a complaint acquires from the committee in the course of discovery,
22 or on information obtained by use of the committee's authority, in order to
23 protect the privacy of persons not under investigation to whom the information
24 pertains. ~~However, the committee may not impose restrictions on the release of~~
25 ~~information by the subject of the complaint unless the complainant has agreed to~~
26 ~~be bound by similar restrictions and has not made public the information~~
27 ~~contained in the complaint, information about the complaint, or the fact of filing~~
28 ~~the complaint.]~~

29 • Sec. 43. AS 24.60.170(k) is amended to read:

30 (k) Proceedings of the committee relating to complaints before it are
31 confidential until the committee determines that there is probable cause to believe that

1 a violation of this chapter has occurred. The complaint and all documents produced
2 or disclosed as a result of the committee investigation are confidential and not subject
3 to inspection by the public. If in the course of an investigation or probable cause
4 determination the committee finds evidence of probable criminal activity, the
5 committee shall transmit a statement and factual findings limited to that activity to the
6 appropriate law enforcement agency. If the committee finds evidence of a probable
7 violation of AS 15.13, the committee shall transmit a statement to that effect and
8 factual findings limited to the probable violation to the Alaska Public Offices
9 Commission. All meetings of the committee before the determination of probable
10 cause are closed to the public and to legislators who are not members of the
11 committee. However, the committee shall permit the subject of the complaint and
12 the subject's attorney to attend any meeting concerning the complaint, including
13 confidential meetings. The committee shall notify the subject of the complaint of
14 the schedule of its proceedings. The confidentiality provisions of this subsection may
15 be waived by the subject of the complaint, except that the subject of the complaint
16 may not waive the confidentiality duty the committee owes to others.

17 * Sec. 44. AS 24.60.174(a) is amended to read:

18 (a) If the person found to have violated this chapter is or was a member of the
19 legislature, the committee's recommendations shall be forwarded by the chair of the
20 committee to the presiding officer of the appropriate house of the legislature. If the
21 committee recommends sanctions other than expulsion from the legislature, the
22 committee recommendation

23 (1) must include a suggested timetable for the compliance reports
24 required under (c) of this section, if any; and

25 (2) may include recommended fines that the legislature may impose
26 if the legislator who was found to have violated this chapter does not comply with
27 the sanctions imposed by the legislature in a timely manner.

28 * Sec. 45. AS 24.60.174 is amended by adding a new subsection to read:

29 (c) When a house of the legislature imposes a sanction other than expulsion
30 on a member or former member, it shall advise the committee at the time of imposing
31 the sanction of the terms it has imposed and of the timetable for compliance adopted

1 with the sanctions. A legislator or former legislator on whom sanctions other than
2 expulsion have been imposed shall report to the committee as required by the
3 timetable. If the committee determines that the legislator or former legislator has not
4 complied fully and in a timely manner with the sanctions imposed by the legislature,
5 the committee may recommend that the legislature impose a fine or additional
6 sanctions.

7 * Sec. 46. AS 24.60.176 is amended to read:

8 Sec. 24.60.176. RECOMMENDATIONS WHERE VIOLATOR IS A
9 LEGISLATIVE EMPLOYEE. If the person found to have violated this chapter is or
10 was a legislative employee, the committee's recommendations shall be forwarded to
11 the appropriate appointing authority which [THAT] shall, as soon as is reasonably
12 possible, determine the sanctions, if any, to be imposed. The appointing authority may
13 not question the committee's findings of fact. The appointing authority shall assume
14 the validity of the committee's findings [.] and determine and impose the appropriate
15 sanctions. The appointing authority has the power to impose a sanction
16 recommended by the committee or to impose a different sanction. The appointing
17 authority shall enforce the sanction and shall report to the committee at a time
18 specified by the committee concerning the employee's compliance with the
19 sanction.

20 * Sec. 47. AS 24.60.176 is amended by adding a new subsection to read:

21 (b) In this section, "appointing authority" means

22 (1) the legislative council for employees of the Legislative Affairs
23 Agency and of the legislative council and for legislative employees not otherwise
24 covered under this subsection;

25 (2) the Legislative Budget and Audit Committee for the legislative
26 fiscal analyst and employees of the division of legislative finance, the legislative
27 auditor and employees of the division of legislative audit, and employees of the
28 Legislative Budget and Audit Committee;

29 (3) the appropriate finance committee for employees of the senate or
30 house finance committees;

31 (4) the appropriate rules committee for employees of standing

1 committees of the legislature other than the finance committees, for employees of the
2 senate secretary's office and the office of the chief clerk of the house of
3 representatives;

4 (5) the legislator who made the hiring decision for employees of
5 individual legislators; however, the legislator may request the appropriate rules
6 committee to act in the legislator's stead;

7 (6) the ombudsman for employees of the office of the ombudsman,
8 other than the ombudsman;

9 (7) the legislature for the ombudsman.

10 * Sec. 48. AS 24.60 is amended by adding a new section to read:

11 Sec. 24.60.178. RECOMMENDED SANCTIONS. (a) When the committee
12 finds that a person has violated this chapter, the committee may recommend
13 appropriate sanctions, including sanctions set out in (b) of this section.

14 (b) The sanctions that the committee may recommend include

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

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

19 (3) additional, detailed disclosure, either as a public disclosure or as a
20 confidential disclosure to the committee;

21 (4) in the case of a legislative employee, suspension of employment
22 with or without pay for a stated period of time or until stated conditions are met, or
23 termination from legislative employment;

24 (5) restitution of property or reimbursement of improperly received
25 benefits;

26 (6) public or private written reprimand;

27 (7) censure, including, in the case of a legislator, removal from a
28 leadership position or committee membership and a determination that the legislator
29 will not be appointed to serve in a leadership position or on a committee during the
30 remainder of that legislature,

31 (8) placing the person on probationary status;

1 (9) in the case of a legislator, expulsion from the house of the
2 legislature;

3 (10) any other appropriate measure.

4 (c) In addition to or in place of a sanction recommended under (b) of this
5 section, the committee may recommend that the subject of a complaint be required to
6 pay all or a portion of the costs related to the investigation and adjudication of a
7 complaint.

8 ■ Sec. 49. AS 24.60.200 is amended to read:

9 Sec. 24.60.200. FINANCIAL DISCLOSURE BY LEGISLATORS, [AND]
10 LEGISLATIVE DIRECTORS, AND CERTAIN LEGISLATIVE EMPLOYEES. A
11 legislator, [AND] a legislative director, and a legislative employee who is required
12 to disclose shall file a disclosure statement, under oath and on penalty of perjury, with
13 the Alaska Public Offices Commission giving the following information about the
14 income received by them, their spouses, their dependent children, and their
15 nondependent children who are living with them:

16 (1) the information that a public official is required to report under
17 AS 39.50.030; however, a legislator, legislative director, or legislative employee is
18 not required to report any gifts [EXCEPT THAT SOURCES OF INCOME OTHER
19 THAN GIFTS OF \$1,000 OR LESS, AND LOANS OF \$1,000 OR LESS NEED NOT
20 BE REPORTED];

21 (2) as to income in excess of \$1,000 received as compensation for
22 personal services, the name and address of the source of the income, and a statement
23 describing the nature of the services performed; if the source of income is known or
24 reasonably should be known to have a substantial interest in legislative, administrative,
25 or political action and the recipient of the income is a legislator, [OR] a legislative
26 director, or a legislative employee, the amount of income received from the source
27 shall be disclosed;

28 (3) as to each loan or loan guarantee over \$1,000 from a source with
29 a substantial interest in legislative, administrative, or political action, the name and
30 address of the person making the loan or guarantee, the amount of the loan, the terms
31 and conditions under which the loan or guarantee was given, the amount outstanding

1 at the time of filing, and whether or not a written loan agreement exists];

2 (4) THE SOURCE OF A GIFT, OTHER THAN AN INHERITANCE,
3 RECEIVED DURING THE PRECEDING CALENDAR YEAR BY THE PERSON,
4 THE PERSON'S SPOUSE OR DEPENDENT CHILD, OR A NONDEPENDENT
5 CHILD OF THE PERSON WHO IS LIVING WITH THE PERSON, IF THE
6 AMOUNT OF THE GIFT EXCEEDS \$100 AND IS RECEIVED FROM A PERSON
7 WHO IS NOT A MEMBER OF THE RECIPIENT'S FAMILY].

8 * Sec. 50. AS 24.60.210 is amended to read:

9 Sec. 24.60.210. DEADLINES FOR FILING OF DISCLOSURE
10 STATEMENTS. A legislator, [AND] a legislative director, and a legislative
11 employee who is required to disclose shall file an annual report with the Alaska
12 Public Offices Commission, covering the previous calendar year, containing the
13 disclosures required by AS 24.60.200, on or before April 15 of each year.

14 * Sec. 51. AS 24.60.230 is amended to read:

15 Sec. 24.60.230. CIVIL PENALTY FOR LATE FILING. A legislator, [OR]
16 a legislative director, or a legislative employee who is required to disclose who fails
17 to file a properly completed report under AS 24.60.200 is subject to a civil penalty of
18 not more than \$10 a day for each day the delinquency continues as the Alaska Public
19 Offices Commission determines, subject to appeal to the superior court. An affidavit
20 stating facts in mitigation may be submitted to the Alaska Public Offices Commission
21 by the person against whom the civil penalty is assessed. However, the imposition of
22 the penalties prescribed in this section does not excuse the person from filing reports
23 required by AS 24.60.200.

24 * Sec. 52. AS 24.60.250 is amended to read:

25 Sec. 24.60.250. EFFECT OF FAILURE TO FILE BY LEGISLATIVE
26 CANDIDATE. In addition to the sanctions described in AS 24.60.200, if the Alaska
27 Public Offices Commission finds that a candidate for the legislature who is an
28 incumbent legislator, [OR A] legislative director, or legislative employee who is
29 required to disclose has failed or refused to file a report under AS 24.60.200 by a
30 deadline established in AS 24.60.210, it shall notify the lieutenant governor. The
31 candidate shall forfeit nomination to office and may not be seated in office. The

1 lieutenant governor may not certify the person's nomination for office or election to
2 office and nomination to the office shall be certified as provided in AS 39.50.060(b).

3 • Sec. 53. AS 24.60.260(a) is amended to read:

4 (a) A person required to make a disclosure under this chapter may not
5 knowingly make a false or deliberately misleading or incomplete disclosure to the
6 committee or to the Alaska Public Offices Commission. A person who files [OR
7 FILE] a disclosure after a deadline set by this chapter or by a regulation adopted by
8 the committee or by the Alaska Public Offices Commission has violated this chapter
9 and may be subject to imposition of a fine as provided in (c) of this section or
10 AS 24.60.240.

11 • Sec. 54. AS 24.60.260 is amended by adding a new subsection to read:

12 (c) The committee may impose a fine on a person who files a disclosure after
13 a deadline set by this chapter. The amount of the fine imposed under this subsection
14 may not exceed \$2 for each day to a maximum of \$25 per disclosure for an
15 inadvertent late disclosure. If the committee finds that a person intentionally waited
16 until after a deadline had passed to file a disclosure or, knowing a disclosure was
17 required under this chapter, intentionally failed to make the disclosure, the committee
18 may impose an additional fine of \$100 under this subsection.

19 • Sec. 55. AS 24.60.990(a)(5) is amended to read:

20 (5) "immediate family" means

21 (A) the spouse of the person;

22 (B) another person cohabiting with the person in a conjugal
23 relationship that is not a legal marriage; or

24 (C) a parent, child [PARENTS, CHILDREN], including a
25 stepchild and an adoptive child, and sibling [SIBLINGS] of a person if the
26 parent, child, or sibling resides with the person, is financially dependent
27 on the person, or shares a substantial financial interest with the person.

28 • Sec. 56. AS 24.60.990(a) is amended by adding a new paragraph to read:

29 (15) "legislative employee who is required to disclose" means a
30 legislative employee, other than a legislator or a legislative director, who is
31 compensated at Range 19 or above of the state salary schedule under AS 39.27.011.

1 * Sec. 57. AS 39.25.070 is amended to read:

2 Sec. 39.25.070. POWERS AND DUTIES OF PERSONNEL BOARD. In
3 addition to the other duties imposed by this chapter, the personnel board shall

4 (1) approve or disapprove amendments to the personnel rules in
5 accordance with AS 39.25.140;

6 (2) consider and act upon recommendations for the extension of the
7 partially exempt service and the classified service as provided in AS 39.25.130;

8 (3) hear and determine appeals by employees in the classified service
9 as provided in AS 39.25.170;

10 (4) establish its own rules of procedure; two members constitute a
11 quorum for the transaction of business and two affirmative votes are required for final
12 action on matters acted upon by the board;

13 (5) elect a chair [CHAIRMAN] from its membership.

14 (6) have the power to administer oaths, subpoena witnesses, and compel
15 the production of books and papers pertinent to a hearing authorized by this chapter;

16 (7) employ staff members, who shall be in the classified service;

17 (8) carry out its powers and duties under AS 39.52 [RETAIN
18 INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c).

19 (9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS,
20 AND RECOMMENDATIONS OF HEARING OFFICERS IN ACCORDANCE WITH
21 AS 39.52.350(c), 39.52.360, AND 39.52.370;

22 (10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS
23 REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 -
24 39.52.190, AND

25 (11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410,
26 39.52.440, AND 39.52.450].

27 * Sec. 58. AS 39.25.160 is amended by adding a new subsection to read:

28 (j) A state employee, whether in the classified, partially exempt, or exempt
29 service, may not campaign on behalf of a political candidate on government time.
30 This subsection does not prohibit the employees of the division of elections from
31 carrying out duties related to elections of the members and employees of the

1 commission on judicial conduct from carrying out duties relating to the evaluation of
2 justices and judges.

3 * Sec. 59. AS 39.50.020 is amended to read:

4 Sec. 39.50.020. REPORT OF FINANCIAL AND BUSINESS INTERESTS.

5 (a) A public official as defined in AS 39.50.200 other than the governor, the
6 lieutenant governor, or an elected municipal officer, [JUDICIAL OFFICER,
7 COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD
8 SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD
9 OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A
10 DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED
11 AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND
12 THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A
13 MUNICIPAL OFFICER] shall file a statement giving income sources and business
14 interests, under oath and on penalty of perjury, within 30 days after taking office as
15 a public official. Candidates for state elective office other than a candidate who is
16 subject to AS 23.60 shall file the [SUCH A] statement with the director of elections
17 at the time of filing a declaration of candidacy or a nominating petition [,] or
18 [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for
19 elective municipal office shall file the [SUCH A] statement at the time of filing a
20 nominating petition, declaration of candidacy, or other required filing for the elective
21 municipal office. Refusal or failure to file within the time prescribed shall require that
22 the candidate's filing fees, if any, and filing for office be refused or that a previously
23 accepted filing fee be returned and the candidate's name removed from the filing
24 records. A statement shall also be filed by public officials no later than April 15 or 15
25 days after the person files a federal income tax return in each following year,
26 whichever comes first. Persons who are members of boards or commissions not named
27 in AS 39.50.200(b) are not required to file financial statements.

28 (b) A public official other than an elected or appointed municipal officer
29 [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH
30 COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A
31 DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH,

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

1 commission on judicial conduct from carrying out duties relating to the evaluation of
2 justices and judges.

3 • Sec. 59. AS 39.50.020 is amended to read:

4 Sec. 39.50.020. REPORT OF FINANCIAL AND BUSINESS INTERESTS.

5 (a) A public official as defined in AS 39.50.260 other than the governor, the
6 lieutenant governor, or an elected municipal officer, [JUDICIAL OFFICER,
7 COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD
8 SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD
9 OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A
10 DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED
11 AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND
12 THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A
13 MUNICIPAL OFFICER] shall file a statement giving income sources and business
14 interests, under oath and on penalty of perjury, within 30 days after taking office as
15 a public official. Candidates for state elective office other than a candidate who is
16 subject to AS 24.60 shall file the [SUCH A] statement with the director of elections
17 at the time of filing a declaration of candidacy or a nominating petition [.] or
18 [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for
19 elective municipal office shall file the [SUCH A] statement at the time of filing a
20 nominating petition, declaration of candidacy, or other required filing for the elective
21 municipal office. Refusal or failure to file within the time prescribed shall require that
22 the candidate's filing fees, if any, and filing for office be refused or that a previously
23 accepted filing fee be returned and the candidate's name removed from the filing
24 records. A statement shall also be filed by public officials no later than April 15 or 15
25 days after the person files a federal income tax return in each following year,
26 whichever comes first. Persons who are members of boards or commissions not named
27 in AS 39.50.200(b) are not required to file financial statements.

28 (b) A public official other than an elected or appointed municipal officer
29 [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH
30 COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A
31 DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH,

1 ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE
2 STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR
3 MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER
4 THIS CHAPTER.] shall file the statement with the Alaska Public Offices Commission.
5 Candidates for the office of governor and lieutenant governor and, if the candidate is
6 not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or
7 15.25.180. Municipal officers, and candidates for elective municipal office, shall file
8 with the municipal clerk or other municipal official designated to receive their filing
9 for office. All statements required to be filed under this chapter are public records.

10 • Sec. 60. AS 39.50.030(a) is amended to read:

11 (a) Each statement must [SHALL] be an accurate representation of the
12 financial affairs of the public official or candidate and must [SHALL] contain the
13 same information for each member of the person's family, as specified in (b) of this
14 section, to the extent that it is ascertainable by the public official or candidate. [AN
15 ASSET OR LIABILITY UNDER \$500, HOUSEHOLD GOODS, AND PERSONAL
16 EFFECTS NEED NOT BE IDENTIFIED.]

17 • Sec. 61. AS 39.50.030(b) is amended to read:

18 (b) Each statement filed by a public official or candidate under this chapter
19 must [SHALL] include the following:

20 (1) the source of all income over \$1,000 [\$100] during the preceding
21 calendar year, including taxable and nontaxable capital gains, received by the person,
22 the person's spouse or dependent child, or a nondependent child of the person who is
23 living with that person, except that a source of income that is a gift must be
24 included if the value of the gift exceeds \$250.

25 (2) the identity, by name and address, of each business in which the
26 person, the person's spouse or dependent child, or a nondependent child of the person
27 who is living with that person was a stockholder, owner, officer, director, partner,
28 proprietor, or employee during the preceding calendar year.

29 (3) the identity and nature of each interest owned in any business
30 during the preceding calendar year by the person, the person's spouse or dependent
31 child, or a nondependent child of the person who is living with that person;

1 (4) the identity and nature of each interest in real property, including
2 an option to buy, owned at any time during the preceding calendar year by the person,
3 the person's spouse or dependent child, or a nondependent child of the person who is
4 living with that person;

5 (5) the identity of each trust or other fiduciary relation in which the
6 person, the person's spouse or dependent child, or a nondependent child of the person
7 who is living with that person held a beneficial interest exceeding \$1,000 during the
8 preceding calendar year, a description and identification of the property contained in
9 each trust or relation, and the nature and extent of the beneficial interest in it;

10 (6) any loan or loan guarantee of more than \$1,000 made to the
11 person, the person's spouse or dependent child, or a nondependent child of the person
12 who is living with that person, and the identity of the maker of the loan or loan
13 guarantor and the identity of each creditor to whom the person, the person's spouse or
14 dependent child, or a nondependent child of the person who lives with that person
15 owed more than \$1,000; this paragraph requires disclosure of a loan, loan
16 guarantee, or indebtedness only if the loan or guarantee was made, or the
17 indebtedness incurred, during the preceding calendar year, or if the amount still
18 owing on the loan, loan guarantee, or indebtedness was more than \$1,000 at any
19 time during the preceding calendar year [5500 OR MORE];

20 (7) a list of all contracts and offers to contract with the state or an
21 instrumentality of the state during the preceding calendar year held, bid, or offered by
22 the person, the person's spouse or dependent child, a nondependent child of the person
23 who is living with that person, a partnership or professional corporation of which
24 the person is a member [THE PERSON'S MOTHER OR FATHER], or a corporation
25 in which the person or the person's spouse or children, or a combination of them, hold
26 a controlling interest, and

27 (8) a list of all mineral, timber, oil, or any other natural resource lease
28 held, or lease offer made, during the preceding calendar year by the person, the
29 person's spouse or dependent child, a nondependent child of the person who is living
30 with that person, [THE PERSON'S MOTHER OR FATHER,] a partnership or
31 professional corporation of which the person is a member, or a corporation in which