

ALASKA LEGISLATURE

1778

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

1 subject to confirmation as required for the regular member. If a regular legislative
2 member of the committee or a subcommittee is disqualified under (h) of this section
3 from serving on the committee or the subcommittee concerning a proceeding under
4 AS 24.60.170, the chair of the committee or a subcommittee shall designate the regular
5 member's alternate to serve in place of the regular member in the proceeding unless
6 the alternate is also disqualified from serving. The designation shall be treated as
7 confidential to the same extent that the identity of the subject of a complaint is
8 required to be kept confidential.

9 * **Sec. 41.** AS 24.60.134(a) is amended to read:

10 (a) Except as provided in (c) of this section, in [IN] addition to ~~complying~~
11 with the other requirements of this chapter, a public member of the committee, an
12 employee of the committee, or a person under contract to provide personal services to
13 the committee may not, during the person's term of office or employment or
14 during the life of the contract, participate in

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

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

22 (A) a candidate for the legislature;

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

25 (C) a person running for another office against an incumbent
26 legislator or legislative employee; [OR]

27 (3) a fund-raising event held on behalf of a political party or attend
28 a political party fund-raising event; or

29 (4) [PARTICIPATE IN] lobbying activities that would require the
30 person to register as a lobbyist except as required to inform the legislature concerning
31 legislation requested by the committee or other matters related to the committee.

1 * **Sec. 42.** AS 24.60.134 is amended by adding a new subsection to read:

2 (c) A person under contract to provide personal services to the committee who
3 is part of a corporation or partnership that includes individuals who will not be
4 participating directly in the work performed by the entity for the committee may
5 request the committee to exclude members of the entity from some or all of the
6 provisions of this section. The committee may grant the request if it finds that doing
7 so will not lead to the appearance that the committee is subject to undue political
8 influence and if there is no appearance of impropriety.

9 * **Sec. 43.** AS 24.60.160 is amended to read:

10 **Sec. 24.60.160. Advisory opinions. (a) On the request of a person to**
11 **whom this chapter applies or who has been newly elected to the legislature, the**
12 [THE] committee shall issue an advisory opinion within **60** [30] days [ON THE
13 REQUEST OF A PERSON TO WHOM THE CHAPTER APPLIES OR A PERSON
14 ELECTED TO THE LEGISLATURE WHO AT THE TIME OF ELECTION IS NOT
15 A MEMBER OF THE LEGISLATURE] as to whether the facts and circumstances of
16 a particular case constitute a violation of ethical standards. **If it finds that it is**
17 **advisable to do so, the committee may issue an opinion under this section on the**
18 **request of a person who reasonably expects to become subject to this chapter**
19 **within the next 45 days.** The **60-day** [30-DAY] period for issuing an opinion may
20 be extended by the committee if the person requesting the opinion consents.

21 (b) **An** [THE] opinion issued **under this section** is binding on the committee
22 in any subsequent proceedings concerning the facts and circumstances of the particular
23 case unless material facts were omitted or misstated in the request for the advisory
24 opinion. Except as provided in this chapter, an advisory opinion is confidential but
25 shall be made public if a written request by the person who requested the opinion is
26 filed with the committee.

27 * **Sec. 44.** AS 24.60.170(a) is amended to read:

28 (a) The committee shall consider a complaint alleging a violation of this
29 chapter if the alleged violation occurred within **two** [FIVE] years **before** [OF] the date
30 that the complaint is filed with the committee and, when the subject of the complaint
31 is a former member of the legislature, the complaint is filed within one year **after** [OF]

1 the subject's departure from the legislature. The committee may not consider a
2 complaint filed against all members of the legislature, against all members of one
3 house of the legislature, or against a person employed by the legislative branch of
4 government after the person has terminated legislative service. However, the
5 committee may reinstitute proceedings concerning a complaint that was closed
6 because a former employee terminated legislative service or because a legislator
7 left the legislature if the former employee or legislator resumes legislative service,
8 whether as an employee or a legislator, within two years after the alleged
9 violation. [THE COMMITTEE MAY ALSO INITIATE COMPLAINTS ON ITS
10 OWN MOTION, SUBJECT TO THE SAME TIME LIMITATIONS.] The time
11 limitations of this subsection do not bar proceedings against a person who intentionally
12 prevents discovery of a violation of this chapter.

13 * Sec. 45. AS 24.60.170(b) is amended to read:

14 (b) A complaint may be initiated by any person. The complaint must be in
15 writing and signed under oath by the person making the complaint and must contain
16 a statement that the complainant has reason to believe that a violation of this
17 chapter has occurred and describe any facts known to the complainant to support
18 that belief. The committee shall upon request provide a form for a complaint to a
19 person wishing to file a complaint. Upon receiving a complaint, the committee shall
20 advise the complainant that the committee or the subject of the complaint may
21 ask the complainant to testify at any stage of the proceeding as to the
22 complainant's belief that the subject of the complaint has violated this chapter.
23 The committee shall respond to a complaint concerning the conduct of a
24 candidate for election to state office received during the campaign period in
25 accordance with (o) of this section. The committee shall treat a complaint
26 concerning the conduct of a candidate for election to state office that is pending
27 at the beginning of a campaign period in accordance with (p) of this section. The
28 committee shall immediately provide a copy of the complaint to the person who is the
29 subject of the complaint.

30 * Sec. 46. AS 24.60.170(c) is amended to read:

31 (c) When the committee receives a complaint under (a) of this section, it may

1 assign the complaint to a staff person. The staff person shall conduct a
2 preliminary examination of the complaint and advise the committee whether the
3 allegations of the complaint, if true, constitute a violation of this chapter and
4 whether there is credible information to indicate that a further investigation and
5 proceeding is warranted. The staff recommendation shall be based on the
6 information and evidence contained in the complaint as supplemented by the
7 complainant and by the subject of the complaint, if requested to do so by the staff
8 member. The committee shall consider the recommendation of the staff member,
9 if any, and shall determine whether the allegations of the complaint, if true, constitute
10 a violation of this chapter. If the committee determines that the allegations, if proven,
11 would not give rise to a violation, that the complaint is frivolous on its face, that
12 there is insufficient credible information that can be uncovered to warrant further
13 investigation by the committee, or that [IF] the committee's lack of jurisdiction is
14 apparent on the face of the complaint, the committee shall dismiss the complaint [,]
15 and shall notify the complainant and the subject of the complaint of the dismissal.
16 The committee may ask the complainant to provide clarification or additional
17 information before it makes a decision under this subsection and may request
18 information concerning the matter from the subject of the complaint. Neither the
19 complainant nor the subject of a complaint is obligated to provide the
20 information. A proceeding conducted under this subsection, documents that are
21 part of a proceeding, and a dismissal under this subsection are confidential as
22 provided in (l) of this section unless the subject of the complaint waives
23 confidentiality as provided in that subsection.

24 * Sec. 47. AS 24.60.170(f) is amended to read:

25 (f) If the committee determines after investigation that there is not probable
26 cause to believe that the subject of the complaint has violated this chapter, the
27 committee shall dismiss the complaint. The committee may also dismiss portions of
28 a complaint if it finds no probable cause to believe that the subject of the complaint
29 has violated this chapter as alleged in those portions. The committee shall issue a
30 decision explaining its dismissal. Committee deliberations and vote on the
31 dismissal order and decision are not open to the public or to the subject of the

1 complaint. A copy of the dismissal order and decision shall be sent to the
2 complainant and to the subject of the complaint. Notwithstanding (l) of this section,
3 a dismissal order and decision is open to inspection and copying by the public.

4 * Sec. 48. AS 24.60.170(g) is amended to read:

5 (g) If the committee investigation determines that a probable violation of this
6 chapter exists that may be corrected by action of the subject of the complaint and that
7 does not warrant sanctions other than correction, the committee may issue an opinion
8 recommending corrective action. This opinion shall be provided to the complainant
9 and to the subject of the complaint, and is open to inspection by the public. Within
10 20 days after receiving the opinion, the subject of the complaint may request a
11 confidential meeting with the committee at which meeting the committee shall
12 explain the reasons for its recommendations. The committee may divulge
13 confidential information to the subject of the complaint. The information remains
14 confidential. The subject of the complaint may comply with the opinion or may
15 request a hearing before the committee under (j) of this section. After the hearing, the
16 committee may amend or affirm the opinion. If the subject of the complaint agrees
17 to comply with the opinion but later fails to complete the corrective action in a
18 timely manner, the committee may formally charge the person as provided in (h)
19 of this section or may refer the matter to the appropriate house of the legislature,
20 in the case of a legislator, or, in the case of a legislative employee, to the
21 employee's appointing authority. The appropriate house of the legislature or the
22 appointing authority, as appropriate, may take action to enforce the corrective
23 action or may decline to take action and refer the matter to the committee. In
24 either case, the committee may formally charge the person under (h) of this
25 section.

26 * Sec. 49. AS 24.60.170(h) is amended to read:

27 (h) If the subject of a complaint fails to comply with an opinion and the
28 committee decides [ISSUED] under (g) of this section to charge the person, or if the
29 committee determines after investigation that there is probable cause to believe that the
30 subject of the complaint has committed a violation of this chapter that may require
31 sanctions instead of or in addition to corrective action, the committee shall formally

1 charge the person. The charge shall be served on the person charged, in a manner
2 consistent with the service of summons under the rules of civil procedure, and a copy
3 of the charge shall be sent to the complainant. The person charged may file a
4 responsive pleading to the committee admitting or denying some or all of the
5 allegations of the charge.

6 * Sec. 50. AS 24.60.170(i) is amended to read:

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

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

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

14 (3) impose reasonable restrictions on the release of information that
15 the subject of a complaint acquires from the committee in the course of discovery,
16 or on information obtained by use of the committee's authority, in order to
17 protect the privacy of persons not under investigation to whom the information
18 pertains; however, the committee may not impose restrictions on the release of
19 information by the subject of the complaint unless the complainant has agreed to
20 be bound by similar restrictions and has not made public the information
21 contained in the complaint, information about the complaint, or the fact of filing
22 the complaint.

23 * Sec. 51. AS 24.60.170(l) is amended to read:

24 (l) Proceedings of the committee relating to complaints before it are
25 confidential until the committee determines that there is probable cause to believe that
26 a violation of this chapter has occurred. The complaint and all documents produced
27 or disclosed as a result of the committee investigation are confidential and not subject
28 to inspection by the public. If in the course of an investigation or probable cause
29 determination the committee finds evidence of probable criminal activity, the
30 committee shall transmit a statement and factual findings limited to that activity to the
31 appropriate law enforcement agency. If the committee finds evidence of a probable

1 violation of AS 15.13, the committee shall transmit a statement to that effect and
2 factual findings limited to the probable violation to the Alaska Public Offices
3 Commission. All meetings of the committee before the determination of probable
4 cause are closed to the public and to legislators who are not members of the
5 committee. However, the committee may permit the subject of the complaint to
6 attend a meeting other than the deliberations on probable cause. The
7 confidentiality provisions of this subsection may be waived by the subject of the
8 complaint.

9 * Sec. 52. AS 24.60.170 is amended by adding new subsections to read:

10 (o) The committee shall return a complaint concerning the conduct of a
11 candidate for state office received during a campaign period to the complainant unless
12 the subject of the complaint permits the committee to assume jurisdiction under this
13 subsection. If the committee receives a complaint concerning the conduct of a
14 candidate during the campaign period, the committee shall immediately notify the
15 subject of the complaint of the receipt of the complaint, of the suspension of the
16 committee's jurisdiction during the campaign period, and of the candidate's right to
17 waive the suspension of jurisdiction under this subsection. The candidate may, within
18 11 days after the committee mails or otherwise sends notice of the complaint to the
19 candidate, notify the committee that the candidate chooses to have the committee
20 proceed with the complaint under this section. If the candidate does not act within that
21 time or if the candidate notifies the committee that the candidate is not waiving the
22 suspension of committee jurisdiction, the committee shall return the complaint to the
23 complainant with notice of the suspension of jurisdiction under this subsection and of
24 the right of the complainant to file the complaint after the end of the campaign period.

25 (p) When the committee has a complaint concerning the conduct of a candidate
26 for state office pending before it at the beginning of a campaign period that has not
27 resulted in the issuance of formal charges under (h) of this section, the committee may
28 proceed with its consideration of the complaint only to the extent that the committee's
29 actions are confidential under this section. The committee may not, during a campaign
30 period, issue a dismissal order or decision under (f) of this section, issue an opinion
31 under (g) of this section, or formally charge a person under (h) of this section. If the

1 committee has formally charged a person under (h) of this section and the charge is
2 still pending when a campaign period begins, the committee shall suspend any public
3 hearings on the matter until after the campaign period ends. The parties to the hearing
4 may continue with discovery during the campaign period. If a hearing has been
5 completed before the beginning of a campaign period but the committee has not yet
6 issued its decision, the committee may not issue the decision until after the end of the
7 campaign period. Notwithstanding the suspension of public proceedings provided for
8 in this subsection, a candidate who is the subject of a complaint may notify the
9 committee in writing that the candidate chooses to have the committee proceed with
10 the complaint under this section.

11 (q) A campaign period under this section begins on the later of 45 days before
12 a primary election in which the legislator or legislative employee is a candidate for
13 state office or the day on which the individual files as a candidate for state office and
14 ends at the close of election day for the general or special election in which the
15 individual is a candidate or on the day that the candidate withdraws from the election,
16 if earlier. For a candidate who loses in the primary election, the campaign period ends
17 on the day that results of the primary election showing that another individual won the
18 election are certified.

19 * Sec. 53. AS 24.60.174(a) is amended to read:

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

25 (1) must include a suggested timetable for the compliance reports
26 required under (e) of this section, if any; and

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

30 * Sec. 54. AS 24.60.174 is amended by adding a new subsection to read:

31 (e) When a house of the legislature imposes a sanction other than expulsion

1 on a member or former member, it shall advise the committee at the time of imposing
2 the sanction of the terms it has imposed and of the timetable for compliance adopted
3 with the sanctions. A legislator or former legislator on whom sanctions other than
4 expulsion have been imposed shall report to the committee as required by the
5 timetable. If the committee determines that the legislator or former legislator has not
6 complied fully and in a timely manner with the sanctions imposed by the legislature,
7 the committee may recommend that the legislature impose a fine or additional
8 sanctions.

9 * Sec. 55. AS 24.60.176 is amended to read:

10 **Sec. 24.60.176. Recommendations where violator is a legislative employee.**

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

21 * Sec. 56. AS 24.60.176 is amended by adding a new subsection to read:

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

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

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

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

- 1 (4) the appropriate rules committee for employees of
2 (A) standing committees of the legislature, other than the
3 finance committees;
4 (B) the senate secretary's office and the office of the chief clerk
5 of the house of representatives; and
6 (C) house records and senate records;
7 (5) the legislator who made the hiring decision for employees of
8 individual legislators; however, the legislator may request the appropriate rules
9 committee to act in the legislator's stead;
10 (6) the ombudsman for employees of the office of the ombudsman,
11 other than the ombudsman;
12 (7) the legislature for the ombudsman.
- 13 * Sec. 57. AS 24.60 is amended by adding a new section to read:
- 14 **Sec. 24.60.178. Recommended sanctions.** (a) When the committee finds that
15 a person has violated this chapter, the committee may recommend appropriate
16 sanctions, including sanctions set out in (b) of this section.
- 17 (b) The sanctions that the committee may recommend include
- 18 (1) imposition of a civil penalty of not more than \$5,000 for each
19 offense or twice the amount improperly gained, whichever is greater;
20 (2) divestiture of specified assets or withdrawal from specified
21 associations;
22 (3) additional, detailed disclosure, either as a public disclosure or as a
23 confidential disclosure to the committee;
24 (4) in the case of a legislative employee, suspension of employment
25 with or without pay for a stated period of time or until stated conditions are met, or
26 termination from legislative employment;
27 (5) restitution of property or reimbursement of improperly received
28 benefits;
29 (6) public or private written reprimand;
30 (7) censure, including, in the case of a legislator, removal from a
31 leadership position or committee membership and a determination that the legislator

1 will not be appointed to serve in a leadership position or on a committee during the
2 remainder of that legislature;

3 (8) placing the person on probationary status;

4 (9) in the case of a legislator, expulsion from the house of the
5 legislature;

6 (10) any other appropriate measure.

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

11 * Sec. 58. AS 24.60.200 is amended to read:

12 **Sec. 24.60.200. Financial disclosure by legislators, public members of the**
13 **committee, and legislative directors.** A legislator, a public member of the
14 committee, and a legislative director shall file a disclosure statement, under oath and
15 on penalty of perjury, with the Alaska Public Offices Commission giving the following
16 information about the income received by the discloser, the discloser's spouse or
17 spousal equivalent, the discloser's [THEM, THEIR SPOUSES, THEIR] dependent
18 children, and the discloser's [THEIR] nondependent children who are living with the
19 discloser [THEM]:

20 (1) the information that a public official is required to report under
21 AS 39.50.030, other than information about gifts [EXCEPT THAT SOURCES OF
22 INCOME OTHER THAN GIFTS OF \$1,000 OR LESS, AND LOANS OF \$1,000 OR
23 LESS NEED NOT BE REPORTED];

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

30 (3) as to each loan or loan guarantee over \$1,000 from a source with
31 a substantial interest in legislative, administrative, or political action, the name and

1 address of the person making the loan or guarantee, the amount of the loan, the terms
2 and conditions under which the loan or guarantee was given, the amount outstanding
3 at the time of filing, and whether or not a written loan agreement exists [;

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

10 * Sec. 59. AS 24.60.210 is amended to read:

11 **Sec. 24.60.210. Deadlines for filing of disclosure statements.** A person
12 required to file a disclosure statement under AS 24.60.200 [LEGISLATOR AND
13 A LEGISLATIVE DIRECTOR] shall file an annual report with the Alaska Public
14 Offices Commission, covering the previous calendar year, containing the disclosures
15 required by AS 24.60.200, on or before March [APRIL] 15 of each year.

16 * Sec. 60. AS 24.60.240 is amended to read:

17 **Sec. 24.60.240. Civil penalty for late filing.** A person required to file a
18 disclosure statement under AS 24.60.200 [LEGISLATOR OR A LEGISLATIVE
19 DIRECTOR] who fails to file a properly completed report under AS 24.60.200 is
20 subject to a civil penalty of not more than \$10 a day for each day the delinquency
21 continues as the Alaska Public Offices Commission determines, subject to appeal to
22 the superior court. An affidavit stating facts in mitigation may be submitted to the
23 Alaska Public Offices Commission by the person against whom the civil penalty is
24 assessed. However, the imposition of the penalties prescribed in this section does not
25 excuse the person from filing reports required by AS 24.60.200.

26 * Sec. 61. AS 24.60.250 is repealed and reenacted to read:

27 **Sec. 24.60.250. Effect of failure to file.** (a) In addition to the sanctions
28 described in AS 24.60.260, if the Alaska Public Offices Commission finds that a
29 candidate for the legislature who is an incumbent legislator has failed to file a report
30 under AS 24.60.200 by March 15, the commission shall notify the candidate that the
31 report is late. If the candidate fails to file the report by April 15,

- 1 (1) the commission shall notify the lieutenant governor;
- 2 (2) the candidate shall forfeit nomination to office and may not be
- 3 seated in office;
- 4 (3) the lieutenant governor may not certify the person's nomination for
- 5 office or election to office; and
- 6 (4) nomination to the office shall be certified as provided in
- 7 AS 39.50.060(b).

8 (b) In addition to the sanctions described in AS 24.60.260, if the Alaska Public

9 Offices Commission finds that a member of the committee has failed or refused to file

10 a report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify

11 the presiding officer of the appropriate legislative body. In the case of a public

12 member of the committee, the commission shall notify both presiding officers.

13 (c) In addition to the sanctions described in AS 24.60.260, if the Alaska Public

14 Offices Commission finds that a legislative director has failed or refused to file a

15 report under AS 24.60.200 by a deadline established in AS 24.60.210, it shall notify

16 the Alaska Legislative Council or the Legislative Budget and Audit Committee, as

17 appropriate. For the ombudsman, the Alaska Legislative Council shall be notified.

18 * Sec. 62. AS 24.60.260(a) is amended to read:

19 (a) A person required to make a disclosure under this chapter may not

20 knowingly make a false or deliberately misleading or incomplete disclosure to the

21 committee or to the Alaska Public Offices Commission. A person who files [, OR

22 FILE] a disclosure after a deadline set by this chapter or by a regulation adopted by

23 the committee or by the Alaska Public Offices Commission **has violated this chapter**

24 **and may be subject to imposition of a fine as provided in (c) of this section or**

25 **AS 24.60.240.**

26 * Sec. 63. AS 24.60.260 is amended by adding a new subsection to read:

27 (c) The committee may impose a fine on a person who files a disclosure after

28 a deadline set by this chapter. The amount of the fine imposed under this subsection

29 may not exceed \$2 for each day to a maximum of \$100 for each disclosure for a late

30 disclosure. However, if the committee finds that a late filing was inadvertent, the

31 maximum fine the committee may impose under this subsection is \$25.

1 * **Sec. 64.** AS 24.60.990(a)(5) is amended to read:

2 (5) "immediate family" means

3 (A) the spouse or spousal equivalent of the person; or

4 (B) a parent, child [, PARENTS, CHILDREN], including a
5 stepchild and an adoptive child, and sibling [SIBLINGS] of a person if the
6 parent, child, or sibling resides with the person, is financially dependent
7 on the person, or shares a substantial financial interest with the person;

8 * **Sec. 65.** AS 24.60.990(a) is amended by adding new paragraphs to read:

9 (15) "spousal equivalent" means a person who is cohabiting with
10 another person in a relationship that is like a marriage but that is not a legal marriage;

11 (16) "state office" includes the office of governor, lieutenant governor,
12 member of the legislature, or similar state office.

13 * **Sec. 66.** AS 39.25.070 is amended to read:

14 **Sec. 39.25.070. Powers and duties of personnel board.** In addition to the
15 other duties imposed by this chapter, the personnel board shall

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

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

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

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

25 (5) elect a chair [CHAIRMAN] from its membership;

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

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

29 (8) carry out its powers and duties under AS 39.52 [RETAIN
30 INDEPENDENT COUNSEL IN ACCORDANCE WITH AS 39.52.310(c);

31 (9) APPOINT, AND REVIEW THE FINDINGS, CONCLUSIONS,

1 AND RECOMMENDATIONS OF, HEARING OFFICERS IN ACCORDANCE WITH
2 AS 39.52.350(c), 39.52.360, AND 39.52.370;

3 (10) ISSUE FINDINGS, CONCLUSIONS, AND DECISIONS
4 REGARDING VIOLATIONS OF THE CODE OF ETHICS IN AS 39.52.110 -
5 39.52.190; AND

6 (11) IMPOSE THE PENALTIES DESCRIBED IN AS 39.52.410,
7 39.52.440, AND 39.52.450].

8 * Sec. 67. AS 39.25.160(e) is amended to read:

9 (e) An employee in the classified, [OR] partially exempt, or exempt service
10 who seeks nomination or becomes a candidate for state or national elective political
11 office shall immediately resign any position held in the state service. The employee's
12 position becomes vacant on the date the employee files a declaration of candidacy for
13 state or national elective office. This subsection applies to employees in the exempt
14 service, except those listed below, notwithstanding AS 39.25.110. This subsection
15 does not apply to

16 (1) a justice, judges, magistrates, and employees of the judicial
17 branch, including employees of the judicial council;

18 (2) the governor or the lieutenant governor;

19 (3) a member of the legislature;

20 (4) an employee seeking election as a delegate to a constitutional
21 convention;

22 (5) officers and employees of the University of Alaska;

23 (6) certificated teachers and noncertificated employees employed
24 by a regional educational attendance area established and organized under
25 AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the
26 control of a regional educational attendance area school board;

27 (7) certificated teachers employed by the Department of Education
28 as correspondence teachers, teachers in skill centers operated by the Department
29 of Education, or teachers at Mt. Edgecumbe School;

30 (8) members of boards and commissions and authorities if the
31 member is not entitled to compensation other than per diem and travel for service

1 on the board, commission, or authority;

2 (9) emergency fire-fighting personnel employed by the Department
3 of Natural Resources for a fire emergency or for fire prevention and related
4 activities conducted under AS 41.15.030;

5 (10) youth employed by the Department of Natural Resources
6 under the Youth Employment and Student Intern programs;

7 (11) students employed by the state institutions in which the
8 students are enrolled;

9 (12) persons engaged in employment or pre-employment training
10 programs operated by the Department of Military and Veterans' Affairs;

11 (13) a participant in the Alaska temporary assistance program
12 under AS 47.27 who holds a temporary position with the state in order to obtain
13 job training or experience.

14 * Sec. 68. AS 39.25.160 is amended by adding a new subsection to read:

15 (j) A state employee, whether in the classified, partially exempt, or exempt
16 service, may not campaign on behalf of a political candidate on government time.
17 This subsection does not prohibit the employees of the division of elections from
18 carrying out duties related to elections or the members and employees of the
19 commission on judicial conduct from carrying out duties relating to the evaluation of
20 justices and judges. This subsection does not apply to the governor and lieutenant
21 governor and members of the legislature.

22 * Sec. 69. AS 39.50.020 is amended to read:

23 **Sec. 39.50.020. Report of financial and business interests.** (a) A **public**
24 **official other than the governor or the lieutenant governor** [JUDICIAL OFFICER,
25 COMMISSIONER, CHAIR OR MEMBER OF A STATE COMMISSION OR BOARD
26 SPECIFIED IN AS 39.50.200(b), A PERSON HIRED OR APPOINTED AS HEAD
27 OR DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION WITHIN, A
28 DEPARTMENT IN THE EXECUTIVE BRANCH, A PERSON APPOINTED
29 AS ASSISTANT TO THE GOVERNOR, A STATE INVESTMENT OFFICER AND
30 THE STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, AND A
31 MUNICIPAL OFFICER] shall file a statement giving income sources and business

1 interests, under oath and on penalty of perjury, within 30 days after taking office as
2 a public official. Candidates for state elective office other than a candidate who is
3 subject to AS 24.60 shall file the [SUCH A] statement with the director of elections
4 at the time of filing a declaration of candidacy or a nominating petition [,] or
5 [WITHIN 30 DAYS OF] becoming a candidate by any other means. Candidates for
6 elective municipal office shall file the [SUCH A] statement at the time of filing a
7 nominating petition, declaration of candidacy, or other required filing for the elective
8 municipal office. Refusal or failure to file within the time prescribed shall require that
9 the candidate's filing fees, if any, and filing for office be refused or that a previously
10 accepted filing fee be returned and the candidate's name removed from the filing
11 records. A statement shall also be filed by public officials no later than March
12 [APRIL] 15 [OR 15 DAYS AFTER THE PERSON FILES A FEDERAL INCOME
13 TAX RETURN] in each following year [, WHICHEVER COMES FIRST]. Persons
14 who are members of boards or commissions not named in AS 39.50.200(b) are not
15 required to file financial statements.

16 (b) A public official other than an elected or appointed municipal officer
17 [THE GOVERNOR, LIEUTENANT GOVERNOR, JUDICIAL OFFICERS, EACH
18 COMMISSIONER, HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A
19 DIVISION WITHIN, A DEPARTMENT IN THE EXECUTIVE BRANCH,
20 ASSISTANT TO THE GOVERNOR, STATE INVESTMENT OFFICERS AND THE
21 STATE COMPTROLLER IN THE DEPARTMENT OF REVENUE, OR CHAIR OR
22 MEMBER OF A COMMISSION OR BOARD REQUIRED TO REPORT UNDER
23 THIS CHAPTER,] shall file the statement with the Alaska Public Offices Commission.
24 Candidates for the office of governor and lieutenant governor and, if the candidate is
25 not subject to AS 24.60, the legislature shall file the statement under AS 15.25.030 or
26 15.25.180. Municipal officers, and candidates for elective municipal office, shall file
27 with the municipal clerk or other municipal official designated to receive their filing
28 for office. All statements required to be filed under this chapter are public records.

29 * Sec. 70. AS 39.50.030(a) is amended to read:

30 (a) Each statement must [SHALL] be an accurate representation of the
31 financial affairs of the public official or candidate and must [SHALL] contain the

1 same information for each member of the person's family, as specified in (b) **and (d)**
2 of this section, to the extent that it is ascertainable by the public official or candidate.
3 [AN ASSET OR LIABILITY UNDER \$500, HOUSEHOLD GOODS, AND
4 PERSONAL EFFECTS NEED NOT BE IDENTIFIED.]

5 * Sec. 71. AS 39.50.030(b) is amended to read:

6 (b) Except as provided in (g) of this section, each [EACH] statement filed
7 by a public official or candidate under this chapter **must** [SHALL] include the
8 following:

9 (1) the source of all income over \$1,000 [\$100] during the preceding
10 calendar year, including taxable and nontaxable capital gains, received by the person,
11 the person's spouse or spousal equivalent, or the person's [DEPENDENT] child,
12 except that a source of income that is a gift must be included if the value of the
13 gift exceeds \$250 [OR A NONDEPENDENT CHILD OF THE PERSON WHO IS
14 LIVING WITH THAT PERSON];

15 (2) the identity, by name and address, of each business in which the
16 person, the person's spouse or spousal equivalent, or the person's [DEPENDENT]
17 child [, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING
18 WITH THAT PERSON] was a stockholder, owner, officer, director, partner, proprietor,
19 or employee during the preceding calendar year;

20 (3) the identity and nature of each interest owned in any business
21 during the preceding calendar year by the person, the person's spouse or spousal
22 equivalent, or the person's [DEPENDENT] child [, OR A NONDEPENDENT
23 CHILD OF THE PERSON WHO IS LIVING WITH THAT PERSON];

24 (4) the identity and nature of each interest in real property, including
25 an option to buy, owned at any time during the preceding calendar year by the person,
26 the person's spouse or spousal equivalent, or the person's [DEPENDENT] child [,
27 OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THAT
28 PERSON];

29 (5) the identity of each trust or other fiduciary relation in which the
30 person, the person's spouse or spousal equivalent, or the person's [DEPENDENT]
31 child [, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING

1 WITH THAT PERSON] held a beneficial interest exceeding \$1,000 during the
2 preceding calendar year, a description and identification of the property contained in
3 each trust or relation, and the nature and extent of the beneficial interest in it;

4 (6) any loan or loan guarantee of more than \$1,000 made to the
5 person, the person's spouse or spousal equivalent, or the person's [DEPENDENT]
6 child [, OR A NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING
7 WITH THAT PERSON], and the identity of the maker of the loan or loan guarantor
8 and the identity of each creditor to whom the person, the person's spouse or spousal
9 equivalent, or the person's [DEPENDENT] child [, OR A NONDEPENDENT
10 CHILD OF THE PERSON WHO LIVES WITH THAT PERSON] owed more than
11 \$1,000; this paragraph requires disclosure of a loan, loan guarantee, or
12 indebtedness only if the loan or guarantee was made, or the indebtedness
13 incurred, during the preceding calendar year, or if the amount still owing on the
14 loan, loan guarantee, or indebtedness was more than \$1,000 at any time during
15 the preceding calendar year [\$500 OR MORE];

16 (7) a list of all contracts and offers to contract with the state or an
17 instrumentality of the state during the preceding calendar year held, bid, or offered by
18 the person, the person's spouse or spousal equivalent, or the person's
19 [DEPENDENT] child, a partnership or professional corporation of which the
20 person is a member [A NONDEPENDENT CHILD OF THE PERSON WHO IS
21 LIVING WITH THAT PERSON, THE PERSON'S MOTHER OR FATHER], or a
22 corporation in which the person or the person's spouse, spousal equivalent, or
23 children, or a combination of them, hold a controlling interest; and

24 (8) a list of all mineral, timber, oil, or any other natural resource lease
25 held, or lease offer made, during the preceding calendar year by the person, the
26 person's spouse or spousal equivalent, or the person's [DEPENDENT] child, [A
27 NONDEPENDENT CHILD OF THE PERSON WHO IS LIVING WITH THAT
28 PERSON, THE PERSON'S MOTHER OR FATHER,] a partnership or professional
29 corporation of which the person is a member, or a corporation in which the person or
30 the person's spouse or spousal equivalent or children, or a combination of them,
31 holds a controlling interest.

1 * Sec. 72. AS 39.50.030 is amended by adding new subsections to read:

2 (d) In addition to the requirements of (b) of this section, each statement filed
3 under this chapter by a public official in the executive branch of state government
4 other than the chair or a member of a state commission or board must include a
5 disclosure of the formation or maintenance of a close economic association involving
6 a substantial financial matter as required by this subsection. The disclosure must be
7 sufficiently detailed so that a reader can ascertain the nature of the association. A
8 public official shall disclose a close economic association with

9 (1) a legislator;

10 (2) a public official who is not an elected or appointed municipal
11 officer;

12 (3) a lobbyist; or

13 (4) a public officer if the person required to make the disclosure is the
14 governor or the lieutenant governor.

15 (e) If a public official required to disclose a close economic association under
16 (d) of this section forms a close economic association after the date on which the
17 public official files the financial disclosure statement required by (a) of this section.
18 disclosure of the association must be made to the commission within 60 days after the
19 formation of the association.

20 (f) When making a disclosure under (d) of this section concerning a
21 relationship with a lobbyist to whom the public official is married or who is the public
22 official's spousal equivalent, the public official shall also disclose the name and
23 address of each employer of the lobbyist and the total monetary value received from
24 the lobbyist's employer. The public official shall report changes in the employers of
25 the spouse or spousal equivalent within 48 hours after the change. In this subsection,
26 "employer of the lobbyist" means the person from whom the lobbyist received money,
27 or goods or services having a monetary value, for engaging in lobbying on behalf of
28 the person.

29 (g) The requirements in this section for disclosures related to a person's
30 spousal equivalent do not apply to an elected or appointed municipal officer.

31 (h) In this section,

1 (1) "child" means a person's dependent child or a person's
2 nondependent child who is living with the person;

3 (2) "close economic association" means a financial relationship that
4 exists between a public official required to disclose a close economic association under
5 (d) of this section and some other person or entity, including a relationship where the
6 public official serves as a consultant or advisor to, is a member or representative of,
7 or has a financial interest in an association, partnership, business, or corporation;

8 (3) "lobbyist" has the meaning given in AS 24.60.990(a);

9 (4) "public officer" has the meaning given in AS 39.52.960.

10 * Sec. 73. AS 39.50.070 is amended to read:

11 **Sec. 39.50.070. Failure to report by certain public officials**
12 **[DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT HEADS]. A public**
13 **official [PERSON HIRED OR APPOINTED AS THE HEAD OR DEPUTY HEAD**
14 **OF, OR DIRECTOR OF A DIVISION WITHIN, A DEPARTMENT] in the executive**
15 **branch of state government, other than the governor or lieutenant governor or a**
16 **chair or member of a state board or commission, who refuses or fails to file a**
17 **report of financial interests required under this chapter when due may not hold office,**
18 **and the person's name may not be submitted to the legislature for confirmation, until**
19 **the person complies. The person may not be confirmed, hired, or appointed, and the**
20 **person forfeits and may not be paid any salary, per diem, or travel expenses, until the**
21 **person complies. If, after installation in office or beginning employment in the**
22 **position [AS THE HEAD OR DEPUTY HEAD OF, OR DIRECTOR OF A**
23 **DIVISION WITHIN, A DEPARTMENT], the person refuses or fails to file the**
24 **required statement when due, the person is guilty of a misdemeanor and upon**
25 **conviction is punishable by a fine of not less than \$100 nor more than \$1,000 and**
26 **shall be removed from office if compliance is not made within 30 days after the due**
27 **date of the report.**

28 * Sec. 74. AS 39.50.090(a) is amended to read:

29 (a) A public official may not use the official position or office for the primary
30 purpose of obtaining personal financial gain or financial gain for a spouse, child,
31 mother, father, or business with which the official is associated or in which the official

1 owns stock. A public official other than an elected or appointed municipal official
2 may not use the official's position or office for the primary purpose of obtaining
3 financial gain for the official's spousal equivalent.

4 * Sec. 75. AS 39.50.200(a)(1) is amended to read:

5 (1) "assistant to the governor or the lieutenant governor" includes any
6 executive, legislative, special, administrative, or press assistant to the governor or
7 lieutenant governor, and any person similarly employed in a policy-making position;

8 * Sec. 76. AS 39.50.200(a)(8) is amended to read:

9 (8) "public official" means

10 (A) a judicial officer;

11 (B) [,] the governor or [,] the lieutenant governor;

12 (C) [,] a person hired or appointed in [AS THE HEAD OR
13 DEPUTY HEAD OF, OR DIRECTOR OF A DIVISION,] a department in the
14 executive branch as

15 (i) the head or deputy head of the department;

16 (ii) the director or deputy director of a division;

17 (iii) a special assistant to the head of the department;

18 (iv) a person serving as the legislative liaison for the

19 department;

20 (D) [,] an assistant to the governor or the lieutenant governor;

21 (E) the [,] chair or a member of a state commission or board;

22 (F) [,] state investment officers and the state comptroller in the
23 Department of Revenue;

24 (G) [,] the executive director of the Alaska Tourism Marketing
25 Council;

26 (H) the chief procurement officer appointed under
27 AS 36.30.010;

28 (I) the executive director of the Alaska Human Resource
29 Investment Council; and

30 (J) [, AND] each appointed or elected municipal officer;

31 * Sec. 77. AS 39.50.200(a)(9) is amended to read:

1 (9) "source of income" means the entity for which service is performed
2 or which is otherwise the origin of payment; if the person whose income is being
3 reported is employed by another, the employer is the source of income; but if the
4 person is self-employed by means of a sole proprietorship, partnership, professional
5 corporation, or a corporation in which the person, the person's spouse or spousal
6 equivalent, or the person's children, or a combination of them, hold a controlling
7 interest, the "source" is the client or customer of the proprietorship, partnership, or
8 corporation, but, if the entity which is the origin of payment is not the same as the
9 client or customer for whom the service is performed, both are considered the source.

10 * Sec. 78. AS 39.50.200(a) is amended by adding a new paragraph to read:

11 (10) "spousal equivalent" means a person who is cohabiting with
12 another person in a relationship that is like a marriage but that is not a legal marriage.

13 * Sec. 79. AS 39.52.010(a) is amended to read:

14 (a) It is declared that

15 (1) [THAT] high moral and ethical standards among public officers in
16 the executive branch are essential to assure the trust, respect, and confidence of the
17 people of this state; [TO THE CONDUCT OF FREE GOVERNMENT; AND]

18 (2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics
19 for the guidance of public officers will

20 (A) discourage those officers from acting upon personal or
21 financial interests in the performance of their public responsibilities;

22 (B) [, WILL] improve standards of public service; and

23 (C) [, AND WILL] promote and strengthen the faith and
24 confidence of the people of this state in their public officers;

25 (3) [. IT IS FURTHER DECLARED THAT] holding public office or
26 employment is a public trust and that as one safeguard of that trust, the people require
27 public officers to adhere to a code of ethics;

28 (4) a fair and open government requires that executive branch
29 public officers conduct the public's business in a manner that preserves the
30 integrity of the governmental process and avoids conflicts of interest;

31 (5) in order for the rules governing conduct to be respected both

1 during and after leaving public service, the code of ethics must be administered
2 fairly without bias or favoritism;

3 (6) no code of conduct, however comprehensive, can anticipate all
4 situations in which violations may occur nor can it prescribe behaviors that are
5 appropriate to every situation; in addition, laws and regulations regarding ethical
6 responsibilities cannot legislate morality, eradicate corruption, or eliminate bad
7 judgment; and

8 (7) compliance with a code of ethics is an individual responsibility;
9 thus all who serve the state have a solemn responsibility to avoid improper
10 conduct and prevent improper behavior by colleagues and subordinates.

11 * Sec. 80. AS 39.52.120(b) is amended to read:

12 (b) A public officer may not

13 (1) seek other employment or contracts through the use or attempted
14 use of official position;

15 (2) accept, receive, or solicit compensation for the performance of
16 official duties or responsibilities from a person other than the state:

17 (3) use state time, property, equipment, or other facilities to benefit
18 personal or financial interests;

19 (4) take or withhold official action in order to affect a matter in which
20 the public officer has a personal or financial interest; or

21 (5) attempt to benefit a personal or financial interest through coercion
22 of a subordinate or require another public officer to perform services for the
23 private benefit of the public officer at any time;

24 (6) use or authorize the use of state funds, facilities, equipment,
25 services, or another government asset or resource for partisan political purposes;
26 this paragraph does not prohibit use of the governor's residence for meetings to
27 discuss political strategy and does not prohibit use of the communications
28 equipment in the governor's residence so long as there is no special charge to the
29 state for the use; in this paragraph, "for partisan political purposes"

30 (A) means having the intent to differentially benefit or harm

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(i) candidate or potential candidate for elective office;

or

(ii) political party or group;

(B) but does not include having the intent to benefit the public interest at large through the normal performance of official duties.

* Sec. 81. AS 39.52.120 is amended by adding a new subsection to read:

(d) In this section, when determining whether a public officer is considered to be performing a task on government time, the attorney general and personnel board shall consider the public officer's work schedule as set by the public officer's immediate supervisor, if any. A public officer other than the governor and lieutenant governor who, during the work days, engages in political campaign activities other than minor, inconsequential, and unavoidable campaign activities shall take approved leave for the period of campaigning.

* Sec. 82. AS 39.52.130(b) is amended to read:

(b) Notice of the receipt by a public officer of a gift with a value in excess of \$150 [\$50], including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt

(1) if the public officer may take or withhold official action that affects the giver; or

(2) if the gift is connected to the public officer's governmental status.

* Sec. 83. AS 39.52.130 is amended by adding new subsections to read:

(e) A public officer who, on behalf of the state, accepts a gift from another government or from an official of another government shall, within 60 days after its receipt, notify the Office of the Governor in writing. The Office of the Governor shall determine the appropriate disposition of the gift. In this subsection, "another government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.

(f) A public officer who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the public

1 office held by the public officer shall report the receipt of the gift by the family
2 member to the public officer's designated supervisor if the gift would have to be
3 reported under this section if it had been received by the public officer or if receipt of
4 the gift by a public officer would be prohibited under this section.

5 * Sec. 84. AS 39.52.170 is amended by adding a new subsection to read:

6 (c) The head of a principal executive department of the state may not accept
7 employment for compensation outside the agency that the executive head serves.

8 * Sec. 85. AS 39.52.180 is amended by adding a new subsection to read:

9 (d) A former governor, lieutenant governor, or head of a principal department
10 in the executive branch may not engage in activity as a lobbyist under AS 24.45 for
11 a period of one year after leaving service as the governor, lieutenant governor, or
12 department head, as appropriate. This subsection does not prohibit service as a
13 volunteer lobbyist described in AS 24.45.161(a)(1) or a representational lobbyist as
14 defined under regulations of the Alaska Public Offices Commission.

15 * Sec. 86. AS 39.52.210(a) is amended to read:

16 (a) A public employee who is involved in a matter that may result in a
17 violation of AS 39.52.110 - 39.52.190 shall

18 (1) refrain from taking any official action relating to the matter until
19 a determination is made under this section; and

20 (2) immediately disclose the matter in writing to the designated
21 supervisor **and the attorney general**.

22 * Sec. 87. AS 39.52.210(b) is amended to read:

23 (b) A public employee's designated supervisor shall make a written
24 determination whether an employee's involvement violates AS 39.52.110 - 39.52.190
25 **and shall provide a copy of the written determination to the public employee and**
26 **to the attorney general**. If the supervisor determines that a violation could exist or
27 will occur, the supervisor shall,

28 (1) reassign duties to cure the employee's potential violation, if feasible;

29 or

30 (2) direct the divestiture or removal by the employee of the personal
31 or financial interests that give rise to the potential violation.

1 * **Sec. 88.** AS 39.52.220(a) is amended to read:

2 (a) A member of a board or commission who is involved in a matter that may
3 result in a violation of AS 39.52.110 - 39.52.190 shall disclose the matter on the public
4 record and in writing to the designated supervisor and to the attorney general. The
5 supervisor shall determine whether the member's involvement violates AS 39.52.110 -
6 39.52.190 and shall provide a copy of the written determination to the board or
7 commission member and to the attorney general. If a member of the board or
8 commission objects to the ruling of the supervisor, or if the supervisor discloses an
9 involvement requiring a determination, the members present at a meeting, excluding
10 the involved member, shall vote on the matter. If the supervisor or a majority of the
11 members voting determine that a violation will exist if the member continues to
12 participate, the member shall refrain from voting, deliberating, or participating in the
13 matter.

14 * **Sec. 89.** AS 39.52.230 is amended to read:

15 **Sec. 39.52.230. Reporting of potential violations.** A person may report to
16 a public officer's designated supervisor, under oath and in writing, a potential violation
17 of AS 39.52.110 - 39.52.190 by the public officer. The supervisor shall provide a
18 copy of the report to the officer who is the subject of the report and to the attorney
19 general, and shall review the report to determine whether a violation may exist. The
20 supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor
21 determines that the matter may result in a violation of AS 39.52.110 - 39.52.190.

22 * **Sec. 90.** AS 39.52.260 is amended by adding a new subsection to read:

23 (d) The attorney general shall submit to the personnel board a copy of the
24 quarterly reports received from designated supervisors under (a) of this section together
25 with a report on the attorney general's review conducted under (b) of this section.

26 * **Sec. 91.** AS 39.52 is amended by adding a new section to article 3 to read:

27 **Sec. 39.52.270. Disclosure statements.** (a) A public officer required to file
28 a disclosure statement under this chapter shall meet the requirements of this subsection
29 in making the disclosure. When the public officer files a disclosure statement under
30 this chapter, the public officer signing the disclosure shall certify that, to the best of
31 the public officer's knowledge, the statement is true, correct, and complete. The

1 disclosure must state that, in addition to any other penalty or punishment that may
2 apply, a person who submits a false statement that the person does not believe to be
3 true is punishable under AS 11.56.200 - 11.56.240.

4 (b) A designated supervisor who receives a disclosure statement under
5 AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that
6 there is a possibility that the activity or situation reported in a disclosure statement
7 filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the
8 designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240.
9 Failure of the designated supervisor to proceed under AS 39.52.210 - 39.52.240 does
10 not relieve the public officer of the public officer's obligations under those statutes.

11 (c) In this section, "disclosure statement" means a report or written notice filed
12 under AS 39.52.110 - 39.52.220.

13 * Sec. 92. AS 39.52.310(a) is amended to read:

14 (a) The attorney general may initiate a complaint, or elect to treat as a
15 complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or
16 39.52.260. The attorney general may not, during a campaign period, initiate a
17 complaint concerning the conduct of the governor or lieutenant governor who is
18 a candidate for election to state office.

19 * Sec. 93. AS 39.52.310(c) is amended to read:

20 (c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the
21 governor, lieutenant governor, or the attorney general, the matter shall be referred to
22 the personnel board. The personnel board shall return a complaint concerning the
23 conduct of the governor or lieutenant governor who is a candidate for election to
24 state office as provided in (j) of this section if the complaint is initiated during a
25 campaign period. The personnel board shall retain independent counsel who shall act
26 in the place of the attorney general under (d) - (i) of this section, AS 39.52.320 -
27 39.52.350, and 39.52.360(c) and (d). Notwithstanding AS 36.30.015(d), the
28 personnel board may contact for or hire independent counsel under this
29 subsection without notifying or securing the approval of the Department of Law.

30 * Sec. 94. AS 39.52.310 is amended by adding new subsections to read:

31 (j) The personnel board shall return a complaint concerning the conduct of the

1 governor or lieutenant governor who is a candidate for state office received during a
2 campaign period to the complainant unless the governor or lieutenant governor, as
3 appropriate, permits the personnel board to assume jurisdiction under this subsection.
4 If the personnel board receives a complaint concerning the conduct of the governor or
5 lieutenant governor who is a candidate during the campaign period, the personnel
6 board shall immediately notify the subject of the complaint of the receipt of the
7 complaint, of the suspension of the personnel board's jurisdiction during the campaign
8 period, and of the candidate's right to waive the suspension of jurisdiction under this
9 subsection. The candidate may, within 11 days after the personnel board mails or
10 otherwise sends notice of the complaint to the candidate, notify the personnel board
11 that the candidate chooses to have the personnel board proceed with the complaint
12 under this section. If the candidate does not act within that time or if the candidate
13 notifies the personnel board that the candidate is not waiving the suspension of
14 jurisdiction, the personnel board shall return the complaint to the complainant with
15 notice of the suspension of jurisdiction under this subsection and of the right of the
16 complainant to file the complaint after the end of the campaign period.

17 (k) A campaign period under this section begins on the later of 45 days before
18 a primary election in which the governor or lieutenant governor is a candidate for state
19 office or the day on which the individual files as a candidate for state office and ends
20 at the close of election day for the general or special election in which the individual
21 is a candidate or on the day that the candidate withdraws from the election, if earlier.
22 For a candidate who loses in the primary election, the campaign period ends on the
23 day that results of the primary election showing that another individual won the
24 election are certified.

25 * Sec. 95. AS 39.52.320 is amended to read:

26 **Sec. 39.52.320. Dismissal before formal proceedings.** If, after investigation,
27 it appears that there is no probable cause to believe that a violation of this chapter has
28 occurred, the attorney general shall dismiss the complaint [AND PREPARE AND
29 FILE A CONFIDENTIAL SUMMARY WITH THE PERSONNEL BOARD]. The
30 attorney general shall communicate disposition of the matter promptly to the
31 complainant under AS 39.52.335(c) and to the subject of the complaint.

1 * **Sec. 96.** AS 39.52 is amended by adding a new section to read:

2 **Sec. 39.52.335. Summary of disposition of complaints and review by**
3 **personnel board.** (a) When the attorney general initiates or receives a complaint
4 under AS 39.52.310, the attorney general shall immediately forward a copy of the
5 complaint to the personnel board.

6 (b) Each month, the attorney general shall file a report with the personnel
7 board concerning the status of each pending complaint and the resolution of
8 complaints that have been closed since the previous report.

9 (c) If a complaint is dismissed under AS 39.52.320 or resolved under
10 AS 39.52.330, the attorney general shall promptly prepare a summary of the matter
11 and provide a copy of the summary to the personnel board and the complainant. The
12 summary is confidential unless the

13 (1) dismissal or resolution agreed to under AS 39.52.320 or 39.52.330
14 is public; or

15 (2) superior court makes the matter public under (h) of this section.

16 (d) Within 15 days after receipt of a summary under this section, a
17 complainant may file comments with the personnel board regarding the disposition of
18 the complaint.

19 (e) At its next regular meeting that begins more than 15 days after receipt of
20 a summary under this section, the personnel board shall review the summary and
21 comments, if any, filed by the complainant. The personnel board may compel the
22 attendance of the subject of the complaint or the complainant at the meeting and may
23 compel the production of documents. Attendance may be by teleconference. The
24 attorney general or the attorney general's designee shall be available to respond to
25 questions from the personnel board concerning the disposition of the complaint.

26 (f) After review of the summary, the personnel board may issue a report on
27 the disposition of the complaint. If the matter is confidential and the board determines
28 that publication of the name of the subject is in the public interest, the report may
29 include a recommendation that the matter be made public.

30 (g) If the summary is confidential under (c) of this section,

31 (1) comments filed by the complainant, if any, are confidential;

1 (2) the personnel board shall conduct the review of the summary in
2 executive session; and

3 (3) the personnel board report, if any, is confidential; the personnel
4 board shall make available to the public an expurgated copy of a confidential report
5 with sufficient deletions and editing to prevent disclosure of the identity of the persons
6 involved in the matter.

7 (h) If the disposition of a complaint is not made public and the personnel
8 board report under (f) of this section includes a recommendation that the matter be
9 made public, an interested party may file an action against the state in superior court
10 requesting that the court make public the complaint, the attorney general's disposition
11 of the complaint, and the personnel board report. The court may order the matter or
12 portions of the matter made public if the court determines that

13 (1) the dismissal or resolution of the complaint was clearly contrary to
14 the requirements of this chapter;

15 (2) one or more of the allegations in the information to be released is
16 supported by substantial evidence;

17 (3) the matter concerns the public interest; and

18 (4) release of the information will not infringe on any protected rights
19 or liberties of the subject.

20 * Sec. 97. AS 39.52.340(a) is amended to read:

21 (a) Except as provided in AS 39.52.335, before [BEFORE] the initiation of
22 formal proceedings under AS 39.52.350, the complaint and all other documents and
23 information regarding an investigation conducted under this chapter [,] or obtained by
24 the attorney general during the investigation are [, IS] confidential and not subject
25 to inspection by the public. In the case of a complaint concerning the governor,
26 lieutenant governor, or attorney general, all meetings of the personnel board
27 concerning the complaint and investigation before the determination of probable
28 cause are closed to the public. If, in the course of an investigation or probable
29 cause determination, the attorney general finds evidence of probable criminal
30 activity, the attorney general shall transmit a statement and factual findings
31 limited to that activity to the appropriate law enforcement agency. If the attorney

1 general finds evidence of a probable violation of AS 15.13. the attorney general
2 shall transmit a statement to that effect and factual findings limited to the
3 probable violation to the Alaska Public Offices Commission. The attorney general
4 and all persons contacted during the course of an investigation shall maintain
5 confidentiality regarding the existence of the investigation. [A PERSON WHO
6 VIOLATES THIS SECTION IS GUILTY OF A CLASS A MISDEMEANOR.]

7 * Sec. 98. AS 39.52.960(2) is amended to read:

8 (2) "agency" means a department, office of the governor, or entity in
9 the executive branch, including but not limited to the University of Alaska, public or
10 quasi-public corporations, [AND] boards and commissions, and [BUT EXCLUDING]
11 the Alaska Railroad Corporation;

12 * Sec. 99. AS 39.52.960(4) is amended to read:

13 (4) "board or commission" means a board, commission, authority, or
14 board of directors of a public or quasi-public corporation, established by statute in the
15 executive branch, including [BUT EXCLUDING] the Alaska Railroad;

16 * Sec. 100. AS 39.52.960(11) is amended to read:

17 (11) "immediate family member" means

18 (A) the spouse of the person;

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

21 (C) a child, including a stepchild and an adoptive child, of
22 the person;

23 (D) a parent, sibling, grandparent, aunt, or uncle of the
24 person; and

25 (E) a parent or sibling of the person's spouse [A PUBLIC
26 OFFICER'S SPOUSE, A RELATION BY BLOOD WITHIN AND
27 INCLUDING THE SECOND DEGREE OF KINDRED, AND A REGULAR
28 MEMBER OF THE OFFICER'S HOUSEHOLD];

29 * Sec. 101. AS 42.40.230 is repealed.

30 * Sec. 102. LEGISLATIVE FINANCIAL DISCLOSURE GRACE PERIOD
31 RETROACTIVITY. Notwithstanding any other provision of AS 24.60.250 as it exists on the

1 day before the effective date of this section or as it exists after amendment by sec. 61 of this
2 Act, a candidate for the legislature who failed to file a report under AS 24.60.200 by April 15,
3 1998, but who filed the report by May 15, 1998, is subject to civil penalty for late filing under
4 AS 24.60.240 but may not be made subject to any penalty or consequence imposed under
5 AS 24.60.250, including forfeiture of nomination to office, denial of seating in office, or
6 denial of certification for office or election to office.

7 * **Sec. 103. PROVISIONS MADE SPECIFICALLY APPLICABLE TO INCUMBENT**
8 **LEGISLATORS.** Notwithstanding any other provision of AS 15.13, the provisions of
9 AS 15.13.116(d), added by sec. 10 of this Act, apply to authorize a legislator holding office
10 in the legislature during the First Regular Session of the Twentieth Alaska State Legislature
11 who, under sec. 32, ch. 48, SLA 1996, retains unused campaign contributions in the
12 candidate's election campaign account, to transfer to a public office expense term account
13 reserve as permitted under AS 15.13.116(d), enacted by sec. 10 of this Act. All amounts
14 expended under this section shall be annually accounted for under AS 15.13.110(a)(4).

15 * **Sec. 104.** Sections 8, 10, and 103 of this Act are retroactive to December 31, 1996.

16 * **Sec. 105.** Sections 61 and 102 of this Act are retroactive to March 15, 1998.

17 * **Sec. 106.** Sections 1 - 10, 19, 61, and 102 - 105 of this Act take effect immediately
18 under AS 01.10.070(c).

19 * **Sec. 107.** Sections 11 - 18, 20 - 60, and 62 - 100 of this Act take effect January 1, 1999.

SB

105

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/97

REPORTED BY OF
FURTHER: FC APR 16 1997

DATE TURNED
IN TO OFFICE: 4-16-97

Finance Committee considered SENATE BILL NO. 105

"An Act relating to legislative ethics; relating to the filing of disclosures by certain legislative employees and officials; and providing for an effective date."

CS forthcoming

and recommends:

- be replaced with CS SB 105 (FIN)
- adopt previous CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Ray E. Kelly, IF Amended</i>	✓	<i>Kan. Powell</i>	✓		
		<i>Al Evans</i>	✓		
		<i>Johnson</i>	✓		
		<i>Deborah Douley</i>	✓		
Co-Chair: <i>Pearce</i>	✓	Co-Chair:			
Co-Chair: _____		Co-Chair: <i>DA [unclear]</i>	✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

ADMIN	4/7		58.9
LABOR	4/4	✓	
LAW	4/9	✓	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

LAA	3/10	✓	
ADMIN	3/24		151.2

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

REPORTED BY: *[Signature]* **SENATE FINANCE COMMITTEE REPORT**

DATE: 3/26/97

FURTHER REPORTED OUT: APR 11 1997
 DATE TURNED IN TO OFFICE: _____

Finance Committee considered **SENATE BILL NO. 105**

"An Act relating to legislative ethics; relating to the filing of disclosures by certain legislative employees and officials; and providing for an effective date."

Rescinded

and recommends:

- be replaced with CS SB 105 (FIN)
- adopt previous CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Roll C (Roll) IF Amendol</i>		<i>Sean Hamill</i>	<input checked="" type="checkbox"/>		
		<i>Alpydane</i>	<input checked="" type="checkbox"/>		
		<i>John [unclear]</i>	<input checked="" type="checkbox"/>		
		<i>Don [unclear]</i>	<input checked="" type="checkbox"/>		
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair: _____			
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
ADMIN	4/7		58.9
LABOR	4/4	<input checked="" type="checkbox"/>	
LAW	4/9	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
LAA	3/10	<input checked="" type="checkbox"/>	
ADMIN	3/24		151.2

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

REPORTED DATE OF
APR 16 1997

FISCAL NOTE

REPORTED DATE OF
APR 10 1997

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

BILL NO. CSSB 105 (STA)

Revision Date: _____ Dept. Affected: Department of Law
 Title: "An Act relating to legislative and executive BRU: Civil Division
branch ethics; relating to the conduct of lobbyists . . . Component: General Legal Services
 Sponsor: Senate Rules Committee
 Requester: Senate Finance Committee COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSSB 105 (STA) makes numerous amendments to the legislative and executive branch ethics acts, expands the reporting requirements of lobbyists, requires exempt and partially exempt state employees above range 19 to file reports under the conflict of interest statutes (AS 39.50), and makes a conforming amendment to the definition of "public official" for employment security statutes. In amending the executive branch ethics act, the bill transfers certain responsibilities for enforcing the act from the Attorney General to the Personnel Board. The Attorney General retains prosecutorial authority in formal proceedings before the Board, and responsibility for enforcing the Board's decisions. CSSB 105 (STA) also adds new prohibitions, new reporting requirements, new disclosures, and expands list of persons affected by the act.

This bill will have no fiscal impact on the Department of Law. When the Executive Ethics Act was passed in 1986, the legislature did not provide funding to the Department of Law to perform its new responsibilities. Consequently, the department has largely relied on ethics supervisors in the appropriate state agencies to

Prepared by: Joan M. Kasson *Joan M. Kasson*
 Division: Administrative Services Division
 Approved by Commissioner: Bruce M. Botelho, Attorney General *Bruce M. Botelho for*
 Agency: Department of Law

Phone: 465-5370
 Date: 4/9/97
 Date: 4/9/97

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ANALYSIS CONTINUATION:

perform investigations; where possible, charged other agencies through interagency agreements for work performed under the act on their behalf; and when necessary to undertake the department's duties with scarce general funds, performed them at the expense of other work.

The Department of Law retains responsibility for certain functions under the State Affairs Committee Substitute including prosecuting ethics violations before the Board, seeking civil and criminal penalties, where appropriate, and as a practical matter, continuing to provide informal advice on the Ethics Act to agencies as well. The department hopes to continue to largely rely on interagency agreements to fund these activities.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 105(STA)

Revision Date: _____
Title: "An Act relating to legislative ethics..."
Sponsor: (S) Rules by Request of Legislative Ethics
Requestor: (S) FIN

Department Affected: Administration
BRU: Alaska Public Offices Commission
Component: Alaska Public Offices Commission

COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	43.1	71.6	76.1	76.1	76.1	76.1
TRAVEL	2.2	2.2	2.2	2.2	2.2	2.2
CONTRACTUAL	7.4	7.4	7.4	7.4	7.4	7.4
SUPPLIES	1.6	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	4.6					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	58.9	82.8	87.3	87.3	87.3	87.3

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	58.9	82.8	87.3	87.3	87.3	87.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	58.9	82.8	87.3	87.3	87.3	87.3

Estimate of any current year (FY 97) cost: \$ 0

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Karen Boorman
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: _____

Approved by Commissioner: Mark Bover
Agency: Department of Administration

Date: 4/1/97

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FISCAL NOTE

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

BILL NO. CSSB 105(STA)

Revision Date: _____
 Title: Legislative Ethics Code Reform
 Sponsor: Senate Rules Committee
 Requestor: Senate Finance Committee

Department Affected: Labor
 BRU: Employment Security
 Component: Employment/Unemployment Services
 COMPONENT SERIAL NO. 1807

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: \$ None

ANALYSIS: The bill amends standards and establishes new standards in three major areas: AS 24.60, governing legislative standards of conduct, the conflict of interest provisions in AS 39.50, and the Executive Branch Ethics Act in AS 39.52.

No fiscal impact is anticipated.

Prepared by: Rebecca Nance, Director Phone: 465-2711
 Division: Employment Security Division Date: 4/4/97

Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 4/4/97

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Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 105(STA)

Revision Date: _____
Title: "An Act relating to legislative ethics..."
Sponsor: (S) Rules by Request of Legislative Ethics
Requestor: (S) FIN

Department Affected: Administration
BRU: Alaska Public Offices Commission
Component: Alaska Public Offices Commission
COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	43.1	71.6	76.1	76.1	76.1	76.1
TRAVEL	2.2	2.2	2.2	2.2	2.2	2.2
CONTRACTUAL	7.4	7.4	7.4	7.4	7.4	7.4
SUPPLIES	1.6	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	4.6					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	58.9	82.8	87.3	87.3	87.3	87.3

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	58.9	82.8	87.3	87.3	87.3	87.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	58.9	82.8	87.3	87.3	87.3	87.3

Estimate of any current year (FY 97) cost: \$ 0

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Karen Boorman
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: _____

Approved by Commissioner: Mark Bover
Agency: Department of Administration

Date: 4/1/97

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FISCAL NOTE

STATE OF ALASKA

BILL NO. CSSB 105(STA)

1997 LEGISLATIVE SESSION

ANALYSIS: (continued)

Partially Exempt and Exempt Executive Branch Employees Range 19 and over must file Conflict of Interest Statements (COI). Legislative Employees Range 19 and over must file Legislative Financial Disclosure Statements (LFD). State Officials must file a disclosures of close economic association.

There are several parts of this bill which would impact the Alaska Public Offices Commission. Section 55, amending AS 24.60.990(a), and Section 63, amending AS 39.50.200(a), require that legislative employees and state employees compensated at Range 19 and above or at more than \$4200 a month file personal financial disclosure statements. Section 72, adding AS 39.52.155 requires that all state employees who file personal financial disclosure statements also file disclosures of close economic association with the APOC.

Currently, the Commission receives about 800 personal financial disclosure statements from all state filers including 65 from legislators and legislative directors. Approximately 1200 municipal officials file municipal financial disclosure statements.

Under the proposed changes to AS 24.60 an additional 192 legislative employees, Range 19 and above, plus 10% turnover per year and an estimated 50% turnover every two years would be required to file annual Legislative Financial Disclosure (LFD) Reports. An additional 658 state employees plus 10% annual turnover would be required to file annual Conflict of Interest (COI) Statements under AS 39.50. In addition, under AS 39.52, up to 1488 state employees would be required to file annual disclosures of close economic association and update them within sixty days of forming new close economic associations.

Current staffing to advise and train filers, provide manuals and forms, review completed statements, assess penalties and report to the Commission is provided by one Paralegal Assistant. At current staffing levels, review of many municipal filings is not possible and review of state filings is delayed. The addition of these new legislative employee and state employee filers more than doubles the number of individuals filing personal financial disclosure statements.

These provisions will take effect midway through FY 98, on January 1, 1998. The first major filing deadlines for filers under the new requirements would be 30 days after appointment or notification for state employees and 60 days after appointment for legislative employees. Over the following six months, approximately 725 new COI Interest Statements and 212 new LFD Reports would be due. This would require extensive education of all new filers. Additional manuals and forms would be necessary to provide immediate help. To provide long term guidance and enforcement, the Commission would engage in civil penalty assessments, advisory opinions and adjudication of complaints. Up to 1488 state official filers would have to file "disclosures of close economic association" with APOC and their designated ethics supervisor. APOC would make these available to the public.

Additional staff is needed to support these changes. An Administrative Clerk III Range 10 would be responsible for processing filed statements as well as accurate and prompt input of data. This person would assist in evaluating Conflict of Interest and Legislative Financial Disclosure Statements to determine their accuracy, obtain more information from filers whose statements are inaccurate, and provide information to the public about filers' Statements. This would be a seven month position the first year, twelve months thereafter.

A nine month full time seasonal Paralegal Assistant, Range 13, is needed to deal with the increase in Conflict of Interest and Legislative Financial Disclosure filers. This seasonal position would be active from December to August when filing demands are the greatest. This seasonal paralegal would compare and examine reports, interpret statutes and regulations, draft informal advice and proposed advisory opinions, and prepare civil penalty recommendations and orders for approval by the Commission. This would be a six month position the first year.

Additional funds are requested for travel and training of new legislative filers in Juneau and new state employee filers in Juneau and Fairbanks. Equipment costs in FY98 cover two filing cabinets, two telephones and installation of lines, a computer and its installation. Contractual and supply costs cover printing and mailing of new manuals, forms and other necessary correspondence for FY98 and subsequent years.

FISCAL NOTE

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

BILL NO. CSSB 105(STA)

Revision Date: _____
 Title: Legislative Ethics Code Reform
 Sponsor: Senate Rules Committee
 Requestor: Senate Finance Committee

Department Affected: Labor
 BRU: Employment Security
 Component: Employment/Unemployment Services
 COMPONENT SERIAL NO. 1807

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: \$ None

ANALYSIS: The bill amends standards and establishes new standards in three major areas: AS 24.60, governing legislative standards of conduct, the conflict of interest provisions in AS 39.50, and the Executive Branch Ethics Act in AS 39.52.

No fiscal impact is anticipated.

Prepared by: Rebecca Nance, Director Phone: 465-2711
 Division: Employment Security Division Date: 4/4/97

Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 4/4/97

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REC'D SFC APR 16 1997

REPORTED OUT OF
No. 3 APR 10 1997
Bill Version: CSB105 (STA)
(S) Publish Date: 3/26/97

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Administration
 Title: An Act relating to legislative and executive
branch ethics. BRU: Personnel
 Component: Personnel
 Sponsor: Sen. Rules Comm. by Reg. of Select Comm. on Leg Ethics
 Requestor: Senate State Affairs Committee COMPONENT SERIAL NO. 56

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	116.3	236.9	236.9	236.9	236.9	236.9
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	7.6	15.2	15.2	15.2	15.2	15.2
SUPPLIES	.8	1.6	1.6	1.6	1.6	1.6
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	151.2	268.7	268.7	268.7	268.7	268.7

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	152.2	268.7	268.7	268.7	268.7	268.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	152.2	268.7	268.7	268.7	268.7	268.7

Estimate of any current year (FY 97) cost: \$0.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This analysis is based on the draft amendments identified as O-LS0074\B.2 by Cramer, 3/18/97. Bill Section numbers may not match the numbers in the final committee substitute.

Sections 64-102 of the draft amendments amend the Executive Branch Ethics Act. Additional prohibitions are added, additional reported is required, more people are covered under certain provisions, and much work is transferred from the attorney general to the Personnel Board. These changes in workload are summarized as follows:

Section 67. New prohibitions added. New requirement for review by the Personnel Board of certain political mass mailings. New disclosures to the Personnel Board added.

Section 68. Additional persons can request guidance concerning whether acceptance of a particular gift is prohibited. The work is transferred from the attorney general to the Personnel Board.

Prepared by: Beverly Reaume *Beverly Reaume* Phone: 465-4429
 Division: Division of Personnel Date: _____

Approved by Commissioner: Mark Boyer *Mark Boyer*
 Agency: Department of Administration Date: 3/21/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CS SB105 (S^)

ANALYSIS: (continued)

Section 69. New prohibitions added. New reporting to the Personnel Board added. New requirement for guidance by the Personnel Board on recognized, nonpolitical charitable organizations. New reporting requirement on inheritances. New requirement for the Personnel Board to approve training programs for gifts of volunteer services.

Section 70. New prohibitions added.

Section 71. Duplicate reporting (to Personnel Board) of personal or financial interests in grants, contract, or loans.

Section 72. New disclosure requirements added.

Section 73. New prohibitions added. Duplicate reporting to the Personnel Board added.

Section 74. New prohibition added.

Sections 75-77. New restrictions added on post separation employment.

Section 78. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a public employee's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.

Section 79. Duplicate reporting to the Personnel Board added. Additional persons can request guidance on whether a member of a board or commission's participation in a matter would violate the Executive Branch Ethics Act. The work is transferred from the attorney general to the Personnel Board.

Section 80. Providing Personnel Board with copy of report of potential violation added.

Section 81, 84, 85, 86. Responsibility to issue interpretative opinions transferred to the Personnel Board. Additional persons can request opinions.

Sections 82. Option of oral advice transferred to Personnel Board.

Section 87. Receipt, review, and public summary of reports of designated supervisors transferred from the attorney general to the Personnel Board.

Section 88. Authority to initiate a complaint transferred from the attorney general to the Personnel Board.

Section 89. Executive Branch Ethics Act complaints to be filed with the Personnel Board instead of the attorney general.

Section 90. Responsibility to investigate a complaint against the governor, lieutenant governor, or attorney general transferred from independent counsel to the Personnel Board.

Section 91. Responsibility to review Executive Branch Ethics Act complaints for completeness and threshold allegations transferred from the attorney general to the Personnel Board.

Section 92. Option of referring a complaint to a designated supervisor transferred from the attorney general to the Personnel Board.

Section 93. Service of a complaint transferred from the attorney general to the Personnel Board.

Section 94. Responsibility for investigation of a complaint with authority to issue a subpoena transferred from the attorney general to the Personnel Board.

Section 95. Authority to dismiss a complaint for lack of probable cause transferred from the attorney general to the Personnel Board.

Section 96. Authority to direct corrective action without hearing transferred from the attorney general to the Personnel Board.

Section 97. Responsibility for maintaining confidentiality during an investigation transferred from the attorney general to the Personnel Board.

Section 98. Authority to initiate formal action on a finding of probable cause transferred from the attorney general to the Personnel Board.

Section 99. Authority to review and approve agency policies on conflicts of interest transferred from the attorney general to the Personnel Board.

Section 100. Regulation adoption authority transferred from the attorney general to the Personnel Board. Additional regulation authority added.

Section 101. Definition of "immediate family member" rewritten. The current records of Department of Law lose their precedential value.

Section 102. Definition of "state official" added to include more positions subject to reporting.

We estimate the need for four positions and associated costs for the Personnel Board to carry out these new requirements. The Personnel Board is authorized to employ staff members by AS 39.25.070(7). One position would be an attorney who would do the legal research and drafting of advice as directed by the Personnel Board. A paralegal position would be responsible for assisting in the legal research and ensuring that all noticing requirements are properly completed. A clerical position would be responsible for the maintenance of the physical files. An investigator will conduct all the investigations, both to determine if a complaint, if true, would constitute a violation and to determine if a violation did indeed occur.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CS SB105 (SA)

We estimate the need for the Personnel Board to meet on a monthly basis under the changes proposed here. Two of three meetings could probably be conducted by teleconference. A quarterly meeting in person would be required. Estimated public notice expenses and travel expenses are included.

Since a January 1, 1998, effective date is proposed (Section 54 of SB 105), the FY 98 costs are estimated for one-half year. Costs for FY 99 and beyond are estimated full year costs.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: SB105
(S) Publish Date: 3/26/97

Revision Date: _____
Title: "An Act relating to legislative ethics..."
Sponsor: (S) Rules Com. by Request of Committee on Leg. Ethics
Requestor: (S) STA

Department Affected: Administration
BRU: Alaska Public Offices Commission
Component: Alaska Public Offices Commission
COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	17.0	17.0	17.4	17.4	17.6	17.6
TRAVEL	1.5	1.5		1.5		1.5
CONTRACTUAL	3.4	3.1	3.1	3.1	3.1	3.1
SUPPLIES	2.1	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	3.1	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	27.1	23.6	22.5	24.0	22.7	24.2

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	27.1	23.6	22.5	24.0	22.7	24.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	27.1	0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

SB105 requires that legislative employees who are compensated at Range 19 or above and public members of the Select Committee on Legislative Ethics file annual legislative financial disclosure statements under AS 24.60.200 in addition to incumbent legislators and legislative directors. All would be required to file statements by February 15 under AS 24.60.210.

Prepared by: Karen Boorman
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 3/11/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB105

ANALYSIS: (continued)

The Commission estimates this change would add an additional 192 new filers to the annual filings plus a turnover of about 20 filers during a year and a 50% turnover every two years. Currently, The Commission receives about 800 personal financial disclosure statements from all state filers under the Conflict of Interest Law and Legislative Financial Disclosure Law. This change in law represents a 20% increase in the number of filers.

Currently one Paralegal Assistant with clerical support works with all 800 state filers and an additional 1200 municipal filers to provide advice, manuals and forms, training review of completed statements and assessment of penalties and reports to the Commission. This 20% increase in filers will require the addition of a 6 month seasonal Administrative Clerk, Range 10 to assist the Paralegal Assistant and to be responsible for the processing of filed statements and accurate and prompt data input.

Additional funds are requested for travel and training of new legislative filers (once every two year legislat in Juneau. Equipment cost covers a filing cabinet, computer and installation in FY98. Contractual and supply costs cover printing and mailing of new manuals, forms and other necessary correspondence for FY98 and subsequent years.

STATE OF ALASKA
1997 LEGISLATIVE SESSION

NO. _____
BILL VERSION: SB105
PUBLISH DATE: (S) Publish Date: 3/26/97

Revision Date: _____
Title: "An Act relating to legislative ethics;
relating to the filing of disclosures by certain legislative...
Sponsor: Senate Rules Committee
Requestor: Senate State Affairs

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OF OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE FUND SOURCE	0	0	0	0	0	0
----------------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Schofield, Deputy Director
Division: Administrative Services

Phone: 465-3852

Date: 3/10/97

Approved By: Pamela A. Varni, Executive Director
Agency: Legislative Affairs Agency

Date: 3/10/97

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

FISCAL NOTE

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

BILL NO. CSSB 105(FIN) am

Revision Date (Note if correction) _____	Dept. Affected <u>Law</u>	_____
Title <u>"An Act relating to legislative and executive branch ethics; relating to the conduct of lobbyists..."</u>	BRU	Civil Division
Sponsor <u>Senate Rules Committee</u>	Component	All
Requester <u>House State Affairs</u>	Component Serial No.	_____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSSB 105 (FIN) am makes numerous amendments to the legislative and executive branch ethics acts, expands the reporting requirements of lobbyists, requires exempt and partially exempt state employees above range 19 to file reports under the conflict of interest statutes (AS 39.50), and makes a conforming amendment to the definition of "public official" for employment security statutes. In amending the executive branch ethics act, the bill transfers certain responsibilities for enforcing the act from the Attorney General to the Personnel Board. The Attorney General retains prosecutorial authority in formal proceedings before the Board, and responsibility for enforcing the Board's decisions. CSSB 105 (FIN) am also adds new prohibitions, new reporting requirements, new disclosures, and expands list of persons affected by the act.

This bill will have no fiscal impact on the Department of Law. When the Executive Ethics Act was passed in 1986, the

Prepared by Joan M. Kasson
 Division Attorney General's Office
 Approved by Commissioner Bruce M. Botelho, Attorney General
 Agency Department of Law

Phone 465-5370
 Date 2/2/98
 Date 2/2/98

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LEGISLATIVE

FISCAL NOTE

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

BILL NO. CSSB 105(FIN)am

ANALYSIS CONTINUATION

legislature did not provide funding to the Department of Law to perform its new responsibilities. Consequently, the department has largely relied on ethics supervisors in the appropriate state agencies to perform investigations; where possible, charged other agencies through interagency agreements for work performed under the act on their behalf; and when necessary to undertake the department's duties with scarce general funds, performed them at the expense of other work.

The Department of Law retains responsibility for certain functions under the Finance Committee Substitute as amended, including prosecuting ethics violations before the Board, seeking civil and criminal penalties, where appropriate, and as a practical matter, continuing to provide informal advice on the Ethics Act to agencies as well. The department hopes to continue to largely rely on interagency agreements to fund these activities.

Not offered

SENATE FINANCE 13
COMMITTEE

0-I.S0074\K.8
Cramer
4/15/97

Amendment Number: AT.

Bill Number: CSSB105

Sponsor: _____ Date: 4-16-97

AMENDED BY: PJ

OFFERED IN THE SENATE
TO: CSSB 105(FIN)

BY SENATOR DONILEY

- 1 Page 1, line 2:
- 2 Delete "the legislature"
- 3 Insert "state office"

- 4 Page 1, line 11:
- 5 Delete "the state legislature"
- 6 Insert "a state office"

- 7 Page 1, line 13:
- 8 Delete "is a member of the legislature"
- 9 Insert "holds a state office [IS A MEMBER OF THE LEGISLATURE]"

- 10 Page 2, line 1:
- 11 Delete "as a member of the legislator's staff or"
- 12 Following "staff of a":
- 13 Insert "legislator or a"

- 14 Page 2, line 2, following ".":
- 15 Insert "In this subsection, "state office" includes the office of governor, lieutenant
- 16 governor, member of the legislature, or similar office."

MOVED by DONLEY
PEARCE OBJ.
ADOPTED 5/2 VOTE

BY DONLEY

SENATE FINANCE COMMITTEE SB 105 (STA)

Pg 23 Line 5
add after "pertains"

Amendment Number: AS 24.60.170(h) is amended to read:
Bill Number: SB 125

Sponsor: Donley Date: 4/10/97
Logged In By: [Signature]

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(l) is amended to read:

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



Am #9 - Moved by Pearce
w/D
Am #9 - Sec 1 only

PROPOSED AMENDMENTS
Alaska Public Offices Commission

Date: March 28, 1997

Bill No. CSSB 105 (STA)

CSSB105 (STA) impacts the Commission in several specific ways. It significantly increases the number of legislative and state employees who must file personal financial disclosure statements. It also requires that state employees file disclosures of close economic association. The following comments and suggestions are offered to clarify or streamline the mechanics of disclosure.

Am #9
Sec 1 only
Moved by Pearce
Phillips object
motion carried 6/1

1. Sec. 17.amending AS 24.60.070(d) requires that a legislator or legislative employee disclose the following: a spousal relationship with a lobbyist, the lobbyist's employer and the total monetary value received from the lobbyist's employer. Disclosures are to be made annually on February 15 to the Select Committee on Legislative Ethics and changes must be reported within 48 hours. Sec.72.amending AS 39.52.155 requires the same disclosure from a state official whose spouse or spousal equivalent is a lobbyist.

The provision makes this information available to the public early in the legislative session. There is, however, a way to do this without requiring legislators, legislative employees, and state officials to file another form. Currently, each lobbyist must file a registration statement for each employer they represent before they are allowed to lobby. This statement includes information about the type of lobbying and the nature and amount of compensation. This information is certified by the lobbyist and verified by the lobbyist's employer.

An additional line requesting the lobbyist to report whether their spouse or spousal equivalent is a legislator, legislative employee, or state official could easily be added to the existing form. This information could be made available to the Legislature, and the public by APOC. To accomplish this change, the Commission recommends the lobbying law be amended as follows:

AS 24.45.041(b)...and(7) the identification of a spouse or spousal equivalent relationship with a legislator, legislative employee or state official.

Since AS 24.45.041(e) requires the publishing of a directory of registered lobbyists within 45 days after the convening of the regular session and contains the information in (b), information regarding spousal relationships would be made available with the publication of the directory.

Am #11
Sec. 2 & 3 only
Moved by Pearce
ADMITTED w/o

2. Under the proposed changes to AS 24.60 and AS 39.50, gifts to legislators will no longer be reported to APOC but will continue to be reported to the Select Committee on Legislative Ethics. Copies of the gift disclosures under AS 24.60.080(c)(4) will be

forwarded to APOC . Legislative employees will also be required to report gifts as well. To ensure that the gift disclosures of legislative employees are also forwarded to APOC for public access, sec. 20. AS 24.60.080(d), lines 26-28 should be amended to include "legislative employees".

AS 39.52.155
1.12.12

3. Sec. 72. adding AS 39.52.155 requires that a state official disclose "close economic associations" with a supervisor who is not a public officer, a legislator, a public official who files financial disclosure statements under AS 39.50 and is not a municipal officer, or a registered lobbyist. Annual disclosure of existing associations must be made by February 15 each year; new associations must be disclosed sixty days after formation. Because of the timing of the legislative session, these deadlines make sense for legislators and legislative employees. They do not make sense for state officials who make decisions regarding state resources year round.

Almost 1500 employees satisfy the definition of "state official." Rather than require these individuals to file a new reports, the Commission recommends that information regarding close economic associations be included with existing annual conflict of interest statements filed by state employees on April 15. This would have the advantage of focusing attention on disclosure of financial interests and potential conflicts of interest at the same time. It would provide one filing where the public could find all financial information about that state employee. Since the disclosure of close economic associations for state employees is important year round, not just during the legislative session, the April 15 deadline would not present a problem as long as new economic relationships are reported within 60 days of their formation. The Commission recommends that the conflict of interest law be amended as follows:

Sec.59. AS 39.50.030(b) Each statement filed by a public official or candidate under this chapter, other than a judicial officer must [SHALL] include the following:

and... (9) the formation or maintenance of a close association involving a substantial financial matter with

- (a) a supervisor who is not a public officer who has responsibility or authority, either directly or indirectly, over the person's employment, including preparing or reviewing performance evaluations, or granting or approving pay raises or promotions;
- (b) a legislator;
- (c) a public official who is required to file a financial disclosure statement under AS 39.50 and is not an appointed municipal officer; or
- (d) a public officer if the person required to make the disclosure is the governor or the lieutenant governor; and

12

(10) If the official forms a close economic association after that date, the disclosure must be made within 60 days after forming the association. A close economic association must be disclosed to the official's designated supervisor as defined in AS 39.52.960(8). A disclosure under this section must be sufficiently detailed that a reader of the disclosure can ascertain the nature of the association.

(11) In this section, "close economic association" means a financial relationship that exists between a state official and some other person or entity, including but not limited to relationships where the state official serves as a consultant or advisor to, is a member or representative of, or has a financial interest in, any association, partnership, business, or corporation.

Not offered

SENATE FINANCE
COMMITTEE

0-LS0074H.3
Cramer
4/10/97

Amendment Number: 6

Bill Number: CSSB 105 6711

Sponsor: Donley Date: 4-10-97

AMENDMENT By

OFFERED IN THE SENATE
TO: CSSB 105(STA)

BY SENATOR DONLEY

- 1 Page 4, line 12:
- 2 Delete "or value"
- 3 Insert "[OR VALUE]"
- 4 Delete "nominal"
- 5 Insert "less than \$10 per month [NOMINAL]"

- 6 Page 5, line 1:
- 7 Delete "or value"
- 8 Insert "[OR VALUE]"
- 9 Delete "nominal"
- 10 Insert "less than \$10 per month [NOMINAL]"

DONLEY MOVED, W/D

SENATE FINANCE
COMMITTEE

Amendment Number: 5
Bill Number: CSSB 105 (STA)
Sponsor: Donley Date: 4-10-97
Logged In By: PA

0-LS0074H.5
Cramer
4/10/97

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 105(STA)

BY SENATOR DONLEY

1 Page 1, line 4, following ";":

2 Insert "relating to campaign finances;"

3 Page 1, following line 6:

4 Insert a new bill section to read:

5 **"* Section 1.** AS 15.13.400(3) is amended to read:

6 (3) "contribution"

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

15 (B) does not include

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

21 (ii) services provided by an accountant or other person
22 to prepare reports and statements required by this chapter; [OR]

23 (iii) ordinary hospitality in a home; or

24 (iv) the cost of a poll or opinion survey that was not

1 commissioned by the candidate:"

2 Page 1, line 7:

3 Delete "Section 1"

4 Insert "Sec. 2"

5 Renumber the following bill sections accordingly.

6 Page 26, line 27:

7 Delete "any gifts"

8 Insert "gifts, except that a legislator shall report the receipt of a copy of an
9 opinion poll or survey that the legislator did not commission but that the legislator
10 received; the value of the gift shall be considered to be that portion of the total cost of
11 the poll that reflects items that related clearly and directly to the candidacy of the
12 legislator"

13 Page 52, line 24:

14 Delete "81 - 86"

15 Insert "82 - 37"

SENATE FINANCE
COMMITTEE

DONLEY MOVED
ADOPTED W/O OBJ

Amendment Number: 41

0-LS0074H.4

Bill Number: CSSB 105(STA)

Cramer

Sponsor: Donley Date: 4-10-97

4/8/97

Logged In By:

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSSB 105(STA)

- 1 Page 5, lines 7 - 8:
- 2 Delete "so long as the records are not displayed publicly"

SENATE FINANCE
COMMITTEE

Amendment Number: 3

Bill Number: CSSB 105 (STA)

Sponsor: Donley Date: 4-10-97

Logged In By: J. P.

A M E N D M E N T

DONLEY MOVED
FORWARD OBJ. / W/D
ADOPTED W/O
0-LS0074H.2 -

Cramer
4/10/97

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSSB 105(STA)

1 Page 1, line 4, following " , ":

2 Insert "relating to campaign finances for candidates for the legislature;"

3 Page 1, following line 6:

4 Insert a new bill section to read:

5 **** Section 1.** AS 15.13.072(d) is amended to read:

6 (d) A candidate or an individual who has filed with the commission the
7 document necessary to permit that individual to incur election-related expenses under
8 AS 15.13.100 for election or reelection to the state legislature may not solicit or
9 accept a contribution if the legislature is convened in a regular or special legislative
10 session, and the candidate or individual is a member of the legislature, or employed
11 as a member of the legislator's staff or as a member of the staff of a legislative
12 committee."

13 Page 1, line 7:

14 Delete "Section 1"

15 Insert "Sec. 2"

16 Renumber the following bill sections accordingly.

17 Page 52, line 24:

18 Delete "81 - 86"

19 Insert "82 - 87"

DONLEY MOVED
ADOPTED W/O

SENATE FINANCE
COMMITTEE

Amendment Number: 2
Bill Number: CSSB 105 (STA)
Sponsor: Donley Date: 4-10-97
Logged In By: [Signature]

0-LS0074H.1
Cramer
4/10/97

A M E N D M E N T

*Temp Cramer will provide
information to make
bill work with
BY SENATOR DONLEY +)*

OFFERED IN THE SENATE
TO: CSSB 105(STA)

*Incorporation
in bill -
done by Donley
PP
4-10-97
PP*

- 1 Page 1, line 4, following ";":
- 2 Insert "relating to the disposition of unused election campaign contributions by
- 3 a candidate who has been elected to the state legislature;"

- 4 Page 1, following line 6:
- 5 Insert a new bill section to read:
- 6 "* Section 1. AS 15.13.116 is amended by adding a new subsection to read:
- 7 (d) After a general or special election, a candidate for the state legislature who
- 8 has been elected to the state legislature in that election may, from the amount retained
- 9 in the election campaign account under (a)(8) of this section, transfer to a legislative
- 10 office account not more than \$5,000 each calendar year for use only for expenses
- 11 associated with the candidate's serving as a member of the legislature. All amounts
- 12 expended under this subsection shall be annually accounted for under
- 13 AS 15.13.110(a)(4)."

- 14 Page 1, line 7:
- 15 Delete "Section 1"
- 16 Insert "Sec. 2"

- 17 Renumber the following bill sections accordingly.

- 18 Page 52, line 24:
- 19 Delete "81 - 86"
- 20 Insert "82 - 87"

1 Page 52, following line 27:

2 Insert new bill sections to read:

3 **"* Sec. 106. PROVISIONS MADE SPECIFICALLY APPLICABLE TO INCUMBENT**
4 **LEGISLATORS.** Notwithstanding any other provision of AS 15.13, the provisions of
5 AS 15.13.116(d), added by sec. 1 of this Act, apply to authorize a legislator holding office
6 in the legislature on the first day of the Twentieth Alaska State Legislature who, under
7 sec. 32, ch. 48, SLA 1996, retains unused campaign contributions in the candidate's election
8 campaign account, to transfer to a legislative office account not more than \$5,000 each
9 calendar year for use only for expenses associated with the candidate's serving as a member
10 of the legislature during each year remaining to the legislator on the legislator's current term.
11 All amounts expended under this section shall be annually accounted for under
12 AS 15.13.110(a)(4).

13 *** Sec. 107.** Section 1 of this Act is retroactive to January 1, 1997."

14 Renumber the following bill section accordingly.

Replaces Am #2
Old by Donley

0-LS0074\H.7
Cramer
4/10/97

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 105(STA)

BY SENATOR DONLEY

1 Page 1, line 1, following ";":

2 Insert "relating to the disposition of unused election campaign contributions by
3 a candidate who has been elected to the state legislature;"

4 Page 1, following line 6:

5 Insert new bill sections to read:

6 **** Section 1.** AS 15.13.116(a) is amended to read:

7 (a) A candidate who, after the date of the general, special, municipal, or
8 municipal runoff election or after the date the candidate withdraws as a candidate,
9 whichever comes first, holds unused campaign contributions shall distribute the
10 amount held within 90 days. The distribution may only be made to

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

15 (2) pay for a victory or a thank you party costing less than \$500, or
16 to give a thank you gift of a value of less than \$50 to a campaign employee or
17 volunteer;

18 (3) make donations, without condition, to

- 19 (A) a political party;
- 20 (B) the state's general fund;
- 21 (C) a municipality of the state; or
- 22 (D) the federal government;

23 (4) make donations, without condition, to organizations qualified as
24 charitable organizations under 26 U.S.C. 501(c)(3), provided the organization is not

0-LS0074\H.7

1 controlled by the candidate or a member of the candidate's immediate family;

2 (5) repay loans from the candidate to the candidate's own campaign
3 under AS 15.13.078(b);

4 (6) repay contributions to contributors, but only if repayment of the
5 contribution is made pro rata in approximate proportion to the contributions made
6 using one of the following, as the candidate determines:

7 (A) to all contributors;

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

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

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

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

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

19 (B) \$30,000 [~~\$10,000~~], if the transfer is made by a candidate
20 for the state senate;

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

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

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

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

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

32 (C) all amounts expended from the legislative office account

0-1.S0074H.7

1 shall be annually accounted for under AS 15.13.110(a)(4); and

2 (D) a transfer under this paragraph is limited to \$5,000
3 multiplied by the number of years in the term to which the candidate is
4 elected; and

5 (10) transfer all or a portion of the unused campaign contributions to
6 a municipal office account; a transfer under this paragraph is subject to the following:

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

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

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

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

16 * **Sec. 2.** AS 15.13.116 is amended by adding a new subsection to read:

17 (d) After a general or special election, a candidate for the state legislature who
18 has been elected to the state legislature in that election may, from the amount retained
19 in the election campaign account under (a)(8) of this section, transfer to a legislative
20 office account not more than \$5,000 each calendar year for use only for expenses
21 associated with the candidate's serving as a member of the legislature. All amounts
22 expended under this subsection shall be annually accounted for under
23 AS 15.13.110(a)(4)."

24 Page 1, line 7:

25 Delete "Section 1"

26 Insert "Sec. 3"

27 Renumber the following bill sections accordingly.

28 Page 52, line 24:

29 Delete "81 - 86"

0-1.S007411.7

1 Insert "83 - 88"

2 Page 52, following line 27:

3 Insert new bill sections to read:

4 **** Sec. 107. PROVISIONS MADE SPECIFICALLY APPLICABLE TO INCUMBENT**
5 **LEGISLATORS.** Notwithstanding any other provision of AS 15.13, the provisions of
6 AS 15.13.116(d), added by sec. 2 of this Act, apply to authorize a legislator holding office
7 in the legislature during the First Regular Session of the Twentieth Alaska State Legislature
8 who, under sec. 32, ch. 48, SLA 1996, retains unused campaign contributions in the
9 candidate's election campaign account, to transfer to a legislative office account not more
10 than \$5,000 each calendar year for use only for expenses associated with the candidate's
11 serving as a member of the legislature during each year remaining to the legislator on the
12 legislator's current term. All amounts expended under this section shall be annually
13 accounted for under AS 15.13.110(a)(4).

14 * **Sec. 108.** Sections 1, 2, and 107 of this Act are retroactive to December 31, 1996.

15 * **Sec. 109.** Sections 1, 2, 107, and 108 of this Act take effect immediately under
16 AS 01.10.070(c)."

17 Renumber the following bill section accordingly.

18 Page 52, line 28:

19 Delete "This Act takes"

20 Insert "Sections 3 - 106 of this Act take"

4-16 Recinded Motion by Phillips
6/1 Note

SENATE FINANCE
COMMITTEE

Moved by Phillips
Penna object
FAILED 3/4

Amendment Number: 1
Bill Number: CS SB 105 (STA)
Sponsor: Phillips Date: 4-10-97
Logged In By: PJ Signel

Amendment

TO: CS SB 105(STA)

by SENATOR PHILLIPS

Page 3, Line 22

Add a new section to read

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

Sec. 24.45.165. SPOUSES AND COHABITANTS OF LEGISLATORS. (a) A spouse of or a person cohabitating with a legislator may not engage in lobbying the legislature during the legislator's term of office.

(b) In this section,

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

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

Page 10, Line 21 delete "legislator"

Page 10, Line 22 delete "legislator's"

Page 10, Line 22 delete "legislator"

Page 10, Line 25 delete "legislator"

renumber sections as required

SB

107

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 7, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/11/97

The FINANCE Committee considered:

CSSB 107(FIN) am

CS FOR SENATE BILL NO. 107(FIN) am

APPROPRIATIONS: CAPITAL & FUNDS

"An Act making, amending, and repealing capital and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

recommends it be replaced with the following committee substitute HCS CSSB 107(FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____
 zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Theriault</i>	Theriault	X			
<i>Paul Hanley</i>	Hanley	X			
<i>Terry Martin</i>	Martin			X	
<i>John Kelly</i>	Kelly	✓			
<i>David Muir</i>	Muir	✓			
<i>John Davies</i>	Davies				X
<i>James Gussendorf</i>	Gussendorf			X	
<i>John Davis</i>	Davis	✓			
<i>John Foster</i>	Foster	X			

CHAIR'S SIGNATURE *Gene Theriault* *Paul Hanley*

Post-It Fax Note	7871	Date	5/9/97	Page	2
To	MORT PLUMB	From	Russ Fortson		
Company	ANC AIRPORT	Company	CATHAY PACIFIC		
Phone	(907) 243-2529	Phone	(907) 243-3909		
Fax	(907) 243-0663	Fax	(907) 243-3683		



Cathay Pacific Airways Limited
 Room NA 203, North Terminal
 P.O. Box 190704
 Anchorage International Airport
 Anchorage, AK, U.S.A. 99519-0104
 Telephone: (907) 743-2884
 Facsimile: (907) 243-3883
 IATA: ANCKYX

May 08, 1997

The Hon. Bert Sturpe, Co-chair
 The Hon. Druc Pearson, Co-chair
 Senate Finance Committee
 State of Alaska Legislature
 Juneau, AK 99801-1102

The Hon. Mark Hanley, Co-chair
 The Hon. Gene Theriault, Co-chair
 House Finance Committee
 State of Alaska Legislature
 Juneau, AK 99801-1182

VIA FAX: (907) 465 2070
 (907) 465-3873

VIA FAX: (907) 465-2418
 (907) 465-3884

Dear Senators and Representatives:

It has come to the attention of Cathay Pacific Airways, Ltd. that there is a debate and proposed changes to the FY98 Department of Transportation and Public Facilities Capital Improvement Program budget for Anchorage and Fairbanks International airports. We are writing to you with concern that the integrity of the long-standing and accepted process set forth in the Airline Operating Agreement and Terminal Building Lease for developing these capital plans is being compromised.

Cathay Pacific Airways is a signatory to the operating agreements at both airports and as such we participate in the yearly review and voting on capital projects proposed by the DOT&PF. This review and voting process is part of the partnership between the airlines and airports. Furthermore, we believe this process must be adhered to by all "signatories". The airlines duly voted on the FY98 projects last fall. Naturally not all the airlines will be in agreement of the required majority airline vote, however it is essential that we accept the final voting result as the CIP that is submitted to the Legislature.

In closing, the signatory airlines have agreed on a program in accordance with agreements we have signed. We ask that you support this process. Furthermore, we implore you to restore the adequate funding to help maintain Anchorage International Airport as functional and efficient facilities. Anchorage International airport is a viable element in the economic and transportation development of this community and the entire State of Alaska.

..1





Your consideration of our concerns, as outlined above, is greatly appreciated.

Sincerely,
CATHAY PACIFIC AIRWAYS LTD.

A handwritten signature in black ink, appearing to read "J. Russ Fortson".

J. Russ Fortson
Airport Services Manager

Wright Air Service, Inc.

Post Office Box 10752 • Fairbanks, Alaska 99708
(907) 474-0802

May 8, 1997

Representative Gene Theriault
House Finance Co-chair

FAX 907-465-3883

Dear Gene:

I understand that the design project for the small runway extension at Fairbanks International was deleted from the Senate budget. I urge you to include it in the House budget.

Presently, to operate our Navajo aircraft we have to taxi about two miles from our location on the East Ramp of International Airport. The taxi includes a crossing of the primary runway, which always increases the risk of an accident. In looking forward to the future, it is obvious that the extension of the small runway would be a big safety benefit, especially as traffic increases.

Thank you very much for your consideration.

Sincerely,



Bob Pursiel
President

Post-It Fax Note	7671	Date	5-7-97	# pages	1
To	KURT PARKAN	From	CLIFF ARGUE		
Co./Dept	DOT&PF	Co.	Alaska Airlines		
Phone	(907) 465-6977	Phone	(206) 433-3184		
Fax	(907) 586-8365	Fax	(206) 421-7081		



May 7, 1997

The Hon. Bert Sharpe, Co-chair
The Hon. Drue Pearce, Co-chair
Senate Finance Committee
State of Alaska Legislature
Juneau, AK 99801-1102

The Hon. Mark Hanley, Co-chair
The Hon. Gene Therriault, Co-chair
House Finance Committee
State of Alaska Legislature
Juneau, AK 99801-1182

VIA FAX: (907) 465-2070
and (907) 465-3872

VIA FAX: (907) 465-2418
and (907) 465-3884

Dear Senators and Representatives:

Alaska Airlines, Inc. is aware of the debate and proposed changes to the FY98 Department of Transportation and Public Facilities Capital Improvement Program budget for Anchorage and Fairbanks International airports. Without getting into the merits of any individual project, we are concerned that the integrity of the long-standing and well accepted process set forth in the Airline Operating Agreement and Terminal Building Lease for developing these capital plans is being compromised.

As a signatory to the operating agreements at both airports, Alaska Airlines participates every year in the review and voting on the capital projects proposed by the DOT&PF. This process is part of the partnership between the airlines and airports that works so well. The airline votes were taken on FY98 projects last fall in an appropriate manner. While at times we may be on the opposite side of the required majority airline vote on a project, we accept the final result as the CIP to be submitted to the Legislature.

In summary, "a deal is a deal." The airlines who pay the bills at the airports have agreed on a program in accordance with agreements we all signed. We ask your support of this process. We urge that adequate funding be restored to help maintain Anchorage and Fairbanks airports as functional and efficient facilities and viable elements in the economic and transportation development of the two communities and the entire State of Alaska.

Thank you for your consideration of our concerns.

Sincerely yours,

ALASKA AIRLINES, INC.

Clifford T. Argue
Clifford T. Argue
Staff Vice President
Properties and Facilities

W. L. MacKay
William L. MacKay
Staff Vice President
Public Affairs

Alaska State Legislature



Official Business

State Capitol
Juneau AK
99801-1182

**TO: Representative Mark Hanley
House Finance co-Chair**

**FROM: Mark Hodgins
Representative, District 9**

**Jerry Ward
Senator, District E**

Handwritten signature of Mark Hodgins in cursive.

Handwritten signature of Jerry Ward in cursive.

RE: CAPITAL BUDGET - FY98 AMENDMENT REQUEST

DATE: MAY 8, 1997

I am respectfully requesting an amendment to my FY98 Capital Budget request to reflect the following changes:

AMEND THE FY98 CAPITAL BUDGET REQUEST :

ADD: CAPTAIN COOK STATE PARK SHELTER	\$ 25,000
GARAGE/WORKSHOP CONSTRUCTION-	
NIKISKI SR SERVICES CENTER	44,683

**CHANGE: KENAI FY98 MUNICIPAL MATCHING GRANT PROJ. BAL. \$ 69683
TO ZERO (0).**

**THESE CHANGES RESULT IN A NET ZERO CHANGE IN
THE FY98 CAPITAL BUDGET.**

MH:tim

REAPPROPRIATION SPREAD

BILL SEC	ED#	SEC TYPE	AGENCY	PROJECT/PROGRAM	ORIGINAL APPROPRIATION			Budget Category
					General Funds	Other Funds	Balance Remaining	
1	1	R	ADMIN	Ketchikan Gateway Borough, Murphys pullout sea plane dock		(35,000)	(35,000)	Capital
			ADMIN	Ketchikan Gateway Borough, Improvements to airport parking lot		35,000	35,000	Capital
2(a)	1	R	H&SS	Ketchikan, Human services center addition/juvenile detention facility	(200,000)		(117,238)	Capital
			ADMIN	Ketchikan, Juvenile detention facility planning & design	200,000		117,238	Capital
2(b)	1	R	ADMIN	City of Saxman - Water and sewer line upgrades on Eagle and Killer Whale Avenues	(395,000)		(386,438)	Capital
			ADMIN	City of Saxman - Correction of major water and sewer deficiencies	395,000		386,438	Capital
3(a)	2	R	ADMIN	Sitka High School roof repairs		(148,566)	(74,389)	Capital
			ADMIN	Sitka High School repairs		148,566	74,389	Capital
3(b)	2	R	F&G	Hatchery improvements and operations to prepare for transfer of facilities (Beaver Falls)	(2,725,000)		(2,596,591)	Capital
			F&G	Hatchery improvements and operations to prepare for transfer of facilities and for wild stock enhancement of salmon at Burnet Inlet Hatchery	2,725,000		2,596,591	Capital
4	5	R	ADMIN	Coffman Cove - Cable TV extensions		(18,000)	(18,000)	Capital
			ADMIN	Coffman Cove - Public bathrooms		18,000	18,000	Capital
5	7	R	DOE	Kenai Peninsula Borough Schools, Tustumena elementary addition		(3,822,100)	(300,000)	Capital
			ADMIN	Kenai Peninsula Borough, Ninilchik Elementary/High School second story addition		3,822,100	300,000	Capital
6	7	R	DOT	Homer ferry terminal building improvements		(775,000)	(775,000)	Capital
			DOT	Homer ferry terminal building design, construction & improvements		775,000	775,000	Capital
7	12	R	ADMIN	Anchorage School District - Sand Lake Elementary grounds drainage upgrade	(65,000)		(11,607)	Capital
			ADMIN	Anchorage School District - Sand Lake Elementary maintenance, site improvements, equipment	65,000		11,607	Capital
8	13	R	ADMIN	Anchorage School District - Inlet View Elementary school comp. exterior	(30,000)		(1,629)	Capital
		R	ADMIN	Anchorage School District - Inlet View Elementary bathroom upgrade	(37,000)		(2,633)	Capital
			ADMIN	Anchorage School District - Inlet View Elementary School maintenance, site improvements, and equipment	67,000		4,262	Capital