

11622 HOUSE RULES

## AN ORDINANCE REGARDING ETHICS AND CONFLICTS OF INTEREST

### **§40.38 Criminal Conduct. State Sanctions.**

To the extent that violations of the provisions of this Chapter constitute violations of the criminal laws of the State, the Board of Ethics shall refer the matter to the State's Attorney for the Judicial District of Waterbury. Any criminal sanctions shall be in addition to the civil remedies set forth in this Chapter.

### **§40.39 Public Official, Employee or Member of a Board or Commission Conflict of Interest in City Procurements.**

**(A) Conflict of Interest.** It shall be a violation of the provisions of the Charter of the City and this Chapter for any Public Official, Employee or Member of a Board or Commission to participate directly or indirectly in the City procurement, set forth in Chapter 38 of the Code, when the Public Official, Employee or Member of a Board or Commission knows that:

(1) the Public Official, Employee or Member of a Board or Commission or any member of the Public Official's, Employee's or Member of a Board or Commission's Immediate Family has a Financial Interest pertaining to the procurement;

(2) a Business in which the Public Official, Employee or Member of a Board or Commission, or any member of the Public Official's, Employee's or Member of a Board or Commission's Immediate Family, has a Financial Interest pertaining to the procurement; or

(3) any other Person or Business with whom the Public Official, Employee or Member of a Board or Commission or any member of the Public Official's, Employee's or Member of a Board or Commission's Immediate Family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

**(B) Financial Interest in a Blind Trust.** Where a Public Official, Employee or Member of a Board or Commission or any member of the Public Official's, Employee's or Member of a Board or Commission's immediate Family holds a Financial Interest in a Blind Trust, the Public Official, Employee or Member of a Board or Commission shall not be deemed to have a conflict of interest with regard to matters pertaining to that Financial Interest, provided that disclosure of the existence of the Blind Trust has been made to the Board of Ethics.

**(C) Discovery of Actual or Potential Conflict of Interest, Disqualification, and Waiver.** Upon discovery of an actual or potential conflict of interest, a Public Official, Employee or Member of a Board or Commission shall promptly file a written statement of disqualification and shall withdraw from further participation in the transaction involved. The Public Official, Employee or Member of a Board or Commission may, at the same time, apply to the Board of Ethics for an advisory opinion as to what further participation, if any, he may have in the transaction.

Westlaw.

MD ADC 19A.06.02.04

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COMAR 19A.06.02.04  
MD Ethics Comm. 19A.06.02.04

CODE OF MARYLAND REGULATIONS  
TITLE 19A STATE ETHICS COMMISSION  
SUBTITLE 06 BLIND TRUSTS  
CHAPTER 02 CRITERIA FOR CERTIFICATION AND EXCEPTION  
Complete through Maryland Register Vol. 33, Issue 3, dated Feb. 3, 2006

.04 Features of the Trust.

A. To be certified as a blind trust pursuant to this subtitle, a trust shall be established by a trust instrument containing the provisions in Sec. B--H of this regulation.

B. The trustee shall have absolute discretion and authority to manage and control the trust assets, including the authority to purchase and sell trust holdings.

C. An interested party may not have the ability to learn of the assets of the trust or the actions of the trustee, and may not receive reports on the assets or income except those necessary (without identifying any particular asset or holding) for filing personal income tax returns.

D. Tax returns of the trust shall be prepared and filed by the trustee and may not be available to any interested party.

E. There may not be direct or indirect communication between the trustee and any interested party except directions regarding the disposition of income or general decisions regarding the approach of the trust as a short-term income or long-term growth approach. Any permitted communications shall be in writing, with copies provided to the Commission.

F. An interested party may not seek to obtain information regarding the trust or its assets.

G. Securities may not be purchased that would result in the holdings in any entity exceeding 20 percent of the total trust assets, or any industry or economic sector exceeding 30 percent of the total trust assets, except when the particular holdings present no conflict of interest under State Government Article, Title 15, Annotated Code of Maryland.

H. The trust instrument shall provide for termination of the trust at the earliest of the following:

(1) On April 30, 1991, for trusts established before that date, if legislation has not been enacted regarding disclosure of trust assets;

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MD ADC 19A.06.02.04

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MD Ethics Comm. 19A.06.02.04

- (2) Upon termination of the official's or employee's State service;
- (3) In case of the official's or employee's death or incompetence;
- (4) Upon revocation of trust certification by the Commission pursuant to COMAR 19A.06.03.04; or
- (5) For cause at the request of the official or employee and with the prior approval of the Commission.

<General Materials (GM) - References, Annotations, or Tables>

MD ADC 19A.06.02.04  
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COMAR 19A.06.01.01

MD Ethics Comm. 19A.06.01.01

CODE OF MARYLAND REGULATIONS  
TITLE 19A STATE ETHICS COMMISSION  
SUBTITLE 06 BLIND TRUSTS  
CHAPTER 01 GENERAL PROVISIONS

Complete through Maryland Register Vol. 33, Issue 3, dated Feb. 3, 2006

.01 Purpose and Scope.

A. State Government Article, §15-501, Annotated Code of Maryland, establishes nonparticipation requirements for employees and officials of the State when the official matter is one in which they have an interest or which involves as a party a business entity with which they have certain economic relationships. State Government Article, §15-502, prohibits these officials and employees from having a financial interest in an entity that is subject to their authority or that of an agency with which they are affiliated or that has or is negotiating a contract with the agency. Exception from the prohibitions of State Government Article, §§ 15-501 and 15-502, Annotated Code of Maryland, is provided for persons under the authority of the State Ethics Commission pursuant to regulations of the Commission where it determines that there is no conflict or appearance of conflict, and where the exception would not be inconsistent with the purposes of the Law.

B. The purpose of this subtitle is to define the circumstances under which a certified blind trust or an excepted blind trust would be viewed by the Commission as meeting the statutory criteria for exception from these conflict of interest provisions. An underlying concept is that, in situations where a trust is created by an independent third party or there are diversified holdings in a trust created by a government official or employee and where the official or employee does not know the identity of the financial interests and does not control these interests, then his or her official actions would not be influenced or appear to be influenced by private interests. Thus, the general public policy goal to be achieved through reliance on a blind trust is an actual "blindness" or lack of knowledge or control by the official or employee with respect to the interests held in trust.

<General Materials (GM) - References, Annotations, or Tables>

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CODE OF MARYLAND REGULATIONS  
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SUBTITLE 06 BLIND TRUSTS  
CHAPTER 02 CRITERIA FOR CERTIFICATION AND EXCEPTION  
Complete through Maryland Register Vol. 33, Issue 3, dated Feb. 3, 2006

.01 Substantive Requirements for Certification.

A. A trust that complies with the appropriate procedural requirements of COMAR 19A.06.03, and that meets the substantive requirements set forth in Regulations .01-.04 of this chapter, may be certified by the Commission as a blind trust for purposes of COMAR 19A.06.01.03.

B. A blind trust arrangement by an official or employee will be considered for certification only if in connection with the submission the official or employee certifies that:

(1) All of the official's or employee's holdings at the time the trust is established will be subject to the trust unless otherwise specifically approved by the Commission; and

(2) No new holdings will be purchased directly by the official or employee except as expressly approved by the Commission.

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CODE OF MARYLAND REGULATIONS  
TITLE 19A STATE ETHICS COMMISSION  
SUBTITLE 06 BLIND TRUSTS

## CHAPTER 02 CRITERIA FOR CERTIFICATION AND EXCEPTION

Complete through Maryland Register Vol. 33, Issue 3, dated Feb. 3, 2006

## .02 Nature of Assets.

A. A trust shall be certified only if the holdings transferred to it by the official or employee meet the requirements of Sec. B of this regulation.

## B. A trust shall be:

## (1) Well diversified.

(a) In evaluating the diversification of a portfolio the Commission shall consider whether the assets are sufficiently diversified to support a conclusion of blindness and lack of appearance of conflict.

(b) In making the determination the Commission shall consider the:

(i) Number of holdings;

(ii) Share of the portfolio in any particular holding or industry

(iii) Value of each holding; and

(iv) Percentage of ownership in the entity the official's or employee's holding represents.

(c) The Commission may not approve a portfolio for establishment of a blind trust whose assets exceed \$350,000, when more than 20 percent of the trust value is held in a single security, or more than 30 percent is held in a single industry or economic sector, unless these particular holdings present no conflict of interest when the trust is created. The Commission may consider a lesser degree of diversification when smaller trusts make these percentages impractical and when the total circumstances warrant a finding of diversification.

(2) Readily marketable. In evaluating the marketability of holdings the Commission shall consider the presence of a market for the holdings, including whether:

(a) They are traded on a public exchange;

(b) The prices are quoted in papers of general circulation;

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(c) The quantity of the holdings does not limit the possibility of sale; and

(d) The records of the holding for the entity show a ready market for the securities.

(3) Not a holding in an entity where the official or employee has as his primary State function regulatory or procurement duties relating to the entity, unless, due to the size of the holdings and the nature of the official's or employee's duties, a conflict of interest or appearance of conflict is unlikely.

(4) Free of any restriction or encumbrance that would interfere with the trustee's ability to manage and control them as required by Regulation .04 of this chapter.

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### blind trust

One entry found for **blind trust**.

**Main Entry: blind trust**

**Function: noun**

: an arrangement in which the financial holdings of a person in an influential position (as a government official) are placed in the control of a fiduciary in order to avoid a possible conflict of interest

For **More Information on "blind trust"** go to [Britannica.com](http://Britannica.com)

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Pronunciation Symbols

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**blind trust**



blind trust

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## Blind Trust



A trust in which the executors have full discretion over the assets, and the trust beneficiaries have no knowledge of the holdings of the trust.



*Blind trusts are generally used when a trustor wishes to keep the beneficiary unaware of the specific assets in the trust, such as to avoid conflict of interest between the beneficiary and the investments.*

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**Problematic Beneficiary Designations - Part 1 (1)** - Make sure your beneficiary designations not only reflect your intentions but also meet the requirements to be effective.

**Problematic Beneficiary Designations - Part 2 (1)** - Designating a trust as your IRA beneficiary can be beneficial, but it requires proper planning to avoid problems.

#### Related Terms

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## blind trust

### Definition

A trust in which the beneficiaries do not have knowledge of the trust's specific assets, and in which a fiduciary third party has complete management discretion.

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1  2  3  4  5

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# Blind trust

From Wikipedia, the free encyclopedia

A **blind trust** is a trust in which the executors or those who have been given power of attorney have full discretion over the assets, and the trust beneficiaries have no knowledge of the holdings of the trust. Blind trusts are generally used when a trustor wishes to keep the beneficiary unaware of the specific assets in the trust, such as to avoid conflict of interest between the beneficiary and the investments. Politicians often place their assets in blind trusts so they cannot be accused of conflict of interest when they direct government funds to the private sector.

## External links

- Entry on Investopedia (<http://www.investopedia.com/terms/b/blindtrust.asp>)

Retrieved from "[http://en.wikipedia.org/wiki/Blind\\_trust](http://en.wikipedia.org/wiki/Blind_trust)"

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## Blind Trust

A trust that retains the settlor's right to terminate the trust, but relinquishes all power over the trust's management.

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Sec. 39.50.040. **Blind trusts.**

(a) A public official may transfer all or a portion of the official's assets to a **blind trust** for the duration of service in public office. The original assets placed in the **blind trust** shall be listed by the official in the statement required to be filed under this chapter. The instrument creating the **blind trust** must be included with the statement.

(b) For a **trust** to qualify under this section,

(1) assets transferred to the **trust** shall be marketable;

(2) the trustee shall be a bank or other institutional fiduciary;

(3) the trustee shall have full authority to manage the **trust**, including the purchase, sale, and exchange of its assets in accordance with fiduciary principles;

(4) information regarding the identity and the nature of its assets shall be confidential from the trustor for the duration of the **trust**;

(5) the trustee shall be required to report any known breach of confidentiality or the termination of the **trust** to the office where the trustor is required to file statements under this chapter; and

(6) *[Repealed, Sec. 26 ch 25 SLA 1975].*

Sec. 39.50.050. Administration and inspection.

(a) The Alaska Public Offices Commission created under AS 15.13.020 (a) shall administer the provisions of this chapter. The commission shall prepare and keep available for distribution standardized forms on which the reports required by this chapter shall be filed. The commission shall print the forms provided under this section so that the front and back of each page have the same orientation when the page is rotated on the vertical axis of the page. The commission may request that the information required under this chapter be submitted electronically but shall accept any information required under this chapter that is typed in clear and legible black typeface or hand-printed in dark ink on paper in a format approved by the

Title 39. PUBLIC OFFICERS AND EMPLOYEES  
Chapter 39.50. PUBLIC OFFICIAL FINANCIAL DISCLOSURE

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HCS CSSB 186(RLS)

1 Page 9, following line 11:

2 Insert a new bill section to read:

3 **\*\* Sec. 19.** AS 39.52 is amended by adding a new section to read:

4 **Sec. 39.52.955. Blind trusts.** (a) To qualify under this chapter, a blind trust  
5 must meet the requirements of AS 39.50.040, and

6 (1) may not include an asset or investment that

7 (A) is of a permanency that makes transfer by the trustee  
8 improbable or impractical;

9 (B) is a security interest, a business, or real estate; or

10 (C) requires the public officer's ownership right or interest to  
11 be recorded in a public office; and

12 (2) the trustee of the blind trust shall, for income purposes,

13 (A) prepare and file the public officer's personal income tax  
14 returns, withholding from distribution of the trust's net income amounts  
15 sufficient to pay the public officer's tax and, for the duration of the trust, shall  
16 have authority to act on behalf of the public officer and to compromise the  
17 trustor's tax liability, in the event of an audit of the trustor's personal tax  
18 returns; or

19 (B) submit to the public officer a certification of income paid  
20 without identifying the assets producing the income."

21

22 Renumber the following bill sections accordingly.

TRANSACTION REPORT

MAR-27-2006 MON 03:46 PM

FOR: Rep. Norman Rokeberg 9074652040

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
MAR-27	03:45 PM	2029	29"	4	FAX TX	OK	028	

TOTAL : 293 PAGES: 4

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REPRESENTATIVE NORMAN ROKEBERG

e-mail: Representative\_Norman\_Rokeberg@legis.state.ak.us

FAX COVER SHEET

DATE: 3/27/2006  
 TO: Don Wayne  
 FAX: 2029 VOICE: \_\_\_\_\_  
 RE: SB186  
 MESSAGE: Rep Rokeberg wants to know:

- a) Do you agree w/ Law's letter?
- b) A amendment OK?

Thanks

Janet

3764

TOTAL NUMBER OF PAGES SENT, INCLUDING COVER SHEET: 4

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They all might change the fine.

AMENDMENT

#1 am adopted  
3-14-06

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: HCS CSSB 186(JUD)

1 Page 1, line 10, following "i":

2 Delete "or"

3 Insert "(3) financial interest in a matter is held in a blind trust or the public  
4 officer does not have management control over the financial interest; or

5 (4)"

6  
7 Page 3, following line 25:

8 Insert a new bill section to read:

9 **\*\* Sec. 8.** AS 39.52.210(b) is amended to read:

10 (b) A public employee's designated supervisor shall make a written  
11 determination whether an employee's involvement violates AS 39.52.110 - 39.52.190  
12 and shall provide a copy of the written determination to the public employee and to the  
13 attorney general. If the supervisor determines that a violation could exist or will occur,  
14 the supervisor shall,

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

17 (2) direct

18 (A) the divestiture or removal by the employee of the personal  
19 or financial interests that give rise to the potential violation; or

20 (B) the placement by the employee of the financial interest  
21 that gives rise to the potential violation into a blind trust or other  
22 investment where the employee does not have management control over  
23 the financial interest."

*Wrote*

*Handwritten signature*

1  
2  
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4  
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7  
8

Renumber the following ~~bill~~ sections accordingly.

Page 9, lines 3 - 4:

Delete "[ESTABLISHMENT OF A BLIND TRUST,]"

Insert "establishment of a blind trust for a period of time or under conditions determined appropriate, placement of the financial interest into an investment where the employee does not have management control over the financial interest."

# ALASKA STATE SENATE



Session:  
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(907) 465-5241 Fax

Interim:  
119 N. Cushman, Suite 201  
Fairbanks, Alaska 99701  
(907) 456-8161  
Senator\_Ralph\_Seekins@legis.state.ak.us

**Senator Ralph Seekins**  
District D

## MEMORANDUM

Date: March 6, 2006  
To: Office of Representative Rokeberg  
From: Senator Ralph Seekins  
Re: Request for Hearing of Senate Bill 186

*See for RS*

---

Attached please find Senate Bill 186 along with a concomitant sponsor statement describing our *original intent*.

I am enclosing three versions of this bill. Version "S" was passed out of the Senate. Version "C" was passed out of the House State Affairs Committee and version "P" was passed out of the House Judiciary Committee. I am also enclosing a side-by-side-by-side comparison of all three bills for your convenience.

With respect to the sponsor statement, you will no doubt notice that it addresses both the executive branch *and* the legislative branch Ethics Acts (SB 186 and SB 187, respectively). These two bills are, in many ways, twins designed to travel together through the legislative process. Therefore, the sponsor statement speaks to both bills. However, SB 187 remains in House State Affairs. Your understanding of this inconsistency is much appreciated.

Lastly, I am enclosing an opinion piece recently printed in the Anchorage Daily News, the Fairbanks Daily News-Miner and the Wasilla Frontiersman.

I respectfully request this bill be scheduled in your committee at your earliest convenience. Thank you.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSSB 186(STA)  
 (S) Publish Date: 4/26/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affect: LAW  
 Title: "An Act relating to the Alaska Executive Branch Ethics Act." RDU: CIVIL  
 Component: Opinions, Appeals & Ethics  
 Sponsor: Senator Seekins  
 Requester: Senate State Affairs Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation, unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time					
Part-time					
Temporary					

**ANALYSIS:** (Attach a separate page if necessary)

This bill makes numerous amendments to the Executive Branch Ethics Act. It amends AS 39.52.110(b) (Scope of Code) to establish a "bright line" test for when a personal or financial interest is insignificant under the ethics act. The bill amends AS 39.52.960 (Definitions) to add a definition for "closely associated person," amend the definition of "financial interest" to include the financial interests of a "closely associated person," amend the definition of "immediate family member," and repeal the definition of "parent." It amends AS 39.52.130(b) (Gifts) and AS 39.52.150(a), (c), and (d) (Contracts, Leases, Loans) to add "closely associated person" to the list of people whose interests that must be considered. It amends AS 39.52.335 (Summary of Disposition of Complaints and Review by Personnel Board) to provide that the complaint process is confidential and repeals the provisions by which an interested party could go to court to try to get the summary made public. It also amends AS 39.52.340

Prepared by: Kathryn Daughheteo, Director Phone 465-3673  
 Division: Administrative Services Division Date/Time 4/26/05 8:09 AM  
 Approved by: Kathryn Daughheteo for David Marquez, Attorney General Date 4/26/2005  
 Agency: Department of Law

**FISCAL NOTE # 1**

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

**BILL NO. CSSB 186(STA)**

**ANALYSIS CONTINUATION**

(Confidentiality) to expand the information that is confidential under the ethics act. The bill also amends AS 11.56, the criminal code, to make disclosure of confidential ethics information a class A misdemeanor. Passage of this legislation will have no fiscal impact on the Department of Law.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSSB 186(STA)  
 (S) Publish Date: 4/28/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: An Act relating to the Alaska RDJ: Central Administrative Services  
 Executive Branch: Ethics Act Component: Personnel  
 Sponsor: Senator Seekins  
 Requester: (S) STA Component No.: 56

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill will have no fiscal impact on the Division of Personnel.

Prepared by: Mila Cosgrove, Director Phone 465-4429  
 Division: Personnel Date/Time 4/25/05 8:39 AM  
 Approved by: Mike Tibbies, Deputy Commissioner Date 4/25/2005  
 Agency: Administration

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 3  
 Bill Version: HCS SSB 186(STA)  
 (H) Publish Date: 2/21/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: Executive Branch Ethics RDU: Central Administrative Services  
 Component: Personnel  
 Sponsor: Senator Seekins  
 Requester: (S) STA Component No. 56

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Fe. Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill will have no fiscal impact on the Division of Personnel.

Prepared by: Mila Cosgrove, Director Phone 465-4429  
 Division: Personnel Date/Time 1/31/06 10:25 AM  
 Approved by: Mike Tibbles, Deputy Commissioner Date 1/31/2006  
 Agency: Administration

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: HCS CSSB 186(STA)  
 (H) Publish Date: 2/21/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: LAW  
 Title: "An Act relating to the Alaska Executive RDU: CIVIL  
Branch Ethics Act..." Component: Opinions, Appeals & Ethics  
 Sponsor: Senator Seekins  
 Requester: House State Affairs Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill makes numerous amendments to the Executive Branch Ethics Act. It amends AS 39.52.110(b) (Scope of Code) by establishing a "bright line" test for when a personal or financial interest is insignificant under the ethics act. The bill amends AS 39.52.130(f) (Improper Gifts) and 39.52.150(a), (c) and (d) (Contracts, Leases, Loans) to add "business associate" to the list of people whose interests must be considered. A change to AS 39.52.210 and AS 39.52.410 would allow a financial interest that violates the ethics act to be placed in a blind trust or similar arrangement. AS 39.52.230 is changed to add a new subsection (b) that describes how reporting of violations of the ethics act should be handled if the report concerns the governor, lieutenant governor, or the attorney general. Changes are also made to AS 39.52.335 and .340 regarding confidentiality and reporting requirements by the personnel board. AS 39.52.340 is also amended by adding new subsections dealing with

Prepared by: Kathryn Daughhete, Director Phone 465-3673  
 Division: Administrative Services Division Date/Time 1/30/06 1:22 PM  
 Approved by: Kathryn Daughhete for David Márquez, Attorney General Date 1/30/2006  
 Agency: Department of Law

**FISCAL NOTE #4**

**STATE OF ALASKA  
2006 LEGISLATIVE SESSION**

**BILL NO. HCS CSSB 186(STA)**

**ANALYSIS CONTINUATION**

confidentiality and imposing a civil penalty of up to \$5000 for those who violate the confidentiality requirement, and giving the attorney general the authority to enforce this section by filing an appropriate civil action.

Passage of this legislation will have no fiscal impact on the Department of Law.

# ALASKA STATE SENATE

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**Senator Ralph Seekins**  
District D

## **Senate Bill 186 & 187 Sponsor Statement**

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**“An Act relating to the Alaska Executive Branch Ethics Act.” (SB 186)**

**“An Act relating to legislative ethics open meetings guidelines, to the public members of the Select Committee on Legislative Ethics, to alternate members of the legislative subcommittees, to advisory opinions, and to confidential information and proceedings regarding legislative ethics complaints and investigations.” (SB 187)**

There has been much discussion throughout the Capitol hallways and committee rooms regarding ethics laws. The Senate Judiciary Committee, in particular, has taken great interest and much testimony on this important topic. Over the last three months a substantial amount of research has been conducted on ethical treatises and other states' ethics laws. Furthermore, CPAs, judges and employment law attorneys have been interviewed along with legislators from around the country. This effort has resulted in the introduction of two bills — SB 186 & 187 — designed to improve the Executive and Legislative Code of Ethics, respectively.

Senate Bill 186 revises the Executive Branch Code of Ethics. The terms “substantial” and “insignificant” defy clear definition and consequently are removed from AS 39.52.110(b). Furthermore, this section gains key language outlining specific types of personal or financial activity which the public employee should take into consideration prior to taking official action on matters which could create a conflict.

Of particular note is the inclusion of a recommendation originating from the Bundy Report pertaining to stock ownership. Here, the limiting factors are one percent with a total value of less than \$10,000. This section also includes new language detailing methods by which the public official can avoid even the slightest perception of impropriety. This can be accomplished through the placement of financial assets into a blind trust or other instrument in which the official has no management control.

Two new terms are brought into use throughout AS 39.52 — “business associate” and “household”. These terms are intended to better define close relationships maintained by the state employee particularly as these relationships affect, or are affected by, action taken by the employee in his or her official capacity.

State law currently sets out two remedial options available to a supervisor when a determination has been made that an ethics violation could exist or will occur. Currently, the supervisor could either reassign the employee or require divestiture of the financial interest creating the potential conflict. Senate Bill 186 provides a logical third option. That is to place the financial interest into a blind trust or other investment tool whereby the employee has no management control.

Recent experience has highlighted a significant procedural ambiguity existing in current statute pertaining to a potential violation involving the governor, lieutenant governor or attorney general. Senate Bill 186 clarifies this by adding language spelling out a clear procedural path to be followed in the unlikely event this situation should arise in the future.

Senate Bill 186 proposes that in a case involving the governor or lieutenant governor, the attorney general refers the matter to the personnel board which appoints an independent counsel to investigate. Results of the investigation are submitted to the attorney general, via written report, who then makes a determination as to whether a violation has occurred. If so, then the report is automatically converted to a complaint and forwarded to the personnel board for resolution.

In a case involving the attorney general, it is the governor that refers the matter to the personnel board at which point the same procedure as that described in the previous paragraph is followed. Of course, in this case the written report is then submitted back to the governor who makes the determination as to the necessity for further action through the personnel board.

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One feature common to both Senate Bill 186 and 187 has received much attention. That is the civil fine of up to \$5,000 which could be levied on an individual for violating confidentiality requirements. This provision *will not* discourage people with righteous complaints from coming forward and making them. It *will* remind people with less than pure intent that there are legal requirements to abide by and liabilities attached to violations.

Our ethics statutes recognize the paramount importance of maintaining the presumption of innocence prior to any finding of probable cause being made. Current state law explicitly requires members of the State Personnel Board and the Select Committee on Legislative Ethics, and others assisting in an investigation, to maintain confidentiality. Why is this? Why should they be bound to this ethic? The clear answer to this question lies in the moral responsibility of fairness our system of justice provides to the accused during the investigatory pursuit of truth.

We must remember that when investigating an ethics complaint, it is no less than the subject's reputation which is at stake. An adverse finding could negatively affect an individual's career for years to come. But a false accusation could have the very same effect. How fair is that?

As it stands now, fair application of our ethics laws is being perverted through a parallel process of faux justice commonly known as trial by media. The fact is, where violations of ethics are alleged, it seems to be more important for a complainant to get the immediate gratification provided by a news flash than to let the Personnel Board or the Select Committee proceed with their statutory function and render a decision based on facts.

Restated, current law allows a complainant to use an ethics violation as a political hatchet. In these cases the end result is not nearly as important as the opening salvo. In fact, a complainant's entire purpose may be completely satisfied over the course of a single day's news cycle. Charged, tried and convicted in the court of public opinion. Case closed. Is this fair? Or even ethical?

If truth and justice are the complainant's pure motivating factor, then process and procedure should be welcomed along with the requisite confidentiality demanded of all parties involved. If the members of the Personnel Board and the Select Committee and others associated with an investigation must

maintain confidentiality why shouldn't the complainant be required to do the same? That seems only fair.

Senate Bill 187 revises the Legislative Standards of Conduct. To start with, this bill adds succinct language which simply restates a truism — where matters of legislative procedure are concerned, the Alaska State Constitution<sup>1</sup> and the Uniform Rules of Procedure<sup>2</sup> take precedence over statute. The bill also clarifies application of the Uniform Rules of Procedure with respect to open meetings guidelines. This, too, is an explicit restatement of Constitutional authority.

With respect to the Select Committee on Legislative Ethics, Senate Bill 187 seeks to empanel public members representing a broad cross section of Alaskans. While current law does not favor a particular profession or background, practical experience suggests that, as a matter of convenience, this ideal may be somewhat overlooked. As a result, the Committee may not have the opportunity to benefit from a full range of professional and geographic experience which may otherwise be available.

Senate Bill 187 also seeks to make the Committee more efficient in another important way. It provides that alternate legislative members may attend all meetings and hearings. This allows the alternate to cast informed votes should the need arise due to the absence of a regular member.

Where advisory opinions are concerned, clarifying language is added which makes clear that if the requestor of the opinion identifies another person in the request, then that person, too, shall not only receive the opinion but also be bound by the same standard of confidentiality applying to the requestor in current law. However, the opinion may be released if all parties provide written consent.

Much of the text found in Senate Bill 187 relates directly to AS 24.60.170. This section addresses proceedings before the Committee. New subsection "s" replaces much, if not all, of the confidentiality language scattered throughout this section. Subsection "s" provides the language establishing the new link in the chain of confidentiality whereby an individual may not disclose the filing of a complaint or the intention to file a complaint, or the intention of another to file a complaint.

All proceedings and actions taken by the Committee will be confidential. All documents filed with the Committee, produced by the Committee or obtained or disclosed as result of Committee investigation, discovery, or a hearing will be confidential. *However*, should the Committee, after investigation, find probable cause to believe that the subject of a complaint has committed a violation that may require sanctions instead of or in addition to corrective action, then the Committee will formally charge the individual. A finding of probable cause triggers public disclosure of the complaint.

It's important to note that the subject of a complaint may waive the confidentiality requirements spelled out in subsection "s". If confidentiality is waived with respect to a meeting or proceeding, then the proceeding is open to all members of the public. If confidentiality is waived with respect to a document or other information, then the document or information is available to all members of the public.

In summary, Alaska's ethics code applies not just to a handful of individuals but to 15,000+ state employees. It seems we should be keeping this in mind when we look at designing a system that not only seeks fairness to the individual employee but also justice for the public at large. Senate Bills 186 and 187 implements a number of features which are intended to accomplish these dual purposes in a straightforward fashion.

<sup>1</sup> Article II, Section 12

<sup>2</sup> Rules 53 & 55 and Section 4 of Mason's Manual of Legislative Procedure, 2000 edition

## Fairbanks Daily News-Miner

**Bills to clear up the murky waters of ethics laws should be adopted**  
By RALPH SEEKINS

**Sunday, February 12, 2006** - Alaska has two sets of ethics laws. One covers the governor, lieutenant governor, attorney general and 15,000 state employees. Senate Bill 186 addresses that law. The other covers all legislators and legislative employees. Senate Bill 187 pertains to this law.

Last year it became evident to the Senate majority that a review of the state's ethics laws was necessary. The high-profile report completed by former U.S. Attorney Robert Bundy (an active member of the Democratic party) clearly demonstrated that deficiencies exist in Alaska's ethics laws.

Clearly, Mr. Bundy's recommendations deserved to be adopted. Therefore, in matters concerning potential conflicts of interest, SB 186 installs two key benchmarks from the Bundy Report. It establishes that an impropriety exists in a particular situation when: (1) a public officer owns more than 1 percent of the stock in a business; and (2) the stock in a business is valued at more than \$10,000.

SB 186 also provides that, when a potential conflict exists, public officials may place their financial holdings in a blind trust. State and local governments all across the nation use this common practice. In fact, the American Bankers Association describes blind trusts as a method for "government officials to avoid conflicts of interest between their official duties and personal financial transactions."

Another black hole SB 186 addresses is the procedure to use when an ethics complaint is filed against the governor, lieutenant governor or attorney general. Current law requires that potential violations of the Ethics Code be reported to the employee's ethics supervisor. The supervisor then forwards a report to the attorney general for further investigation, possibly resulting in formal charges before the State Personnel Board.

Yet, this process is clearly defective should a complaint involve the governor, lieutenant governor or the attorney general. So, SB 186 mandates that an independent counsel be appointed by the Personnel Board--rather than by the attorney general--to determine the facts of the matter. Clear, clean and fair.

With respect to Senate Bill 187--concerning the legislative branch--here again the intent is to clear up ambiguities in current law. For example, SB 187 illuminates the relationship between the Constitution, the uniform rules and the statutes. It calls for wider diversification among the membership of the Select Committee on Legislative Ethics. And it clarifies voting procedures among the legislative members of the committee.

All this and, so far, and not a word about confidentiality! The fact is, this legislation implements many necessary clarifications to our ethics codes. But here is an inconvenient little detail: contrary to popular belief, current law requires the ethics complaint process remain confidential until a finding of probable cause. Again, that is the law today.

So what happens if I break the current law by publicly announcing I have filed an ethics complaint? There are quite likely consequences, right? Otherwise, why have the law? The fact is, there are no real consequences. So the legislation, as proposed, encourages people not to violate the law by imposing a civil (not criminal) penalty against deliberate lawbreakers.

It has been widely, yet incorrectly, reported that the civil penalty is \$5,000. Here again we have another one of those inconvenient little facts: The fine could be as little as \$1. The language in both bills is very consistent on this issue.

Ultimately, this will be a legislative policy call. If the law requires confidentiality, then the violator must pay the consequences, just like in any other law. If, on the other hand, we are not concerned about maintaining the integrity of this important process, if we are not concerned about accountability, then all confidentiality provisions should be stricken from our ethics laws. It must be either one or the other.

One last thing to consider: Your co-worker has just filed an ethics complaint against you. Is it righteous or is it just a grudge? It doesn't really matter since, either way, it must go through the process. But it's times like this that you pray the process works.

Sen. Ralph Seekins is a Republican from Fairbanks. He represents District D in the Alaska Legislature and is chairman of the Senate Judiciary Committee.

SB 186 "S" (Senate)	SB 186 "C" (House STA)	SB 186 "P" (House JUD)
<p><b>Section 1 - AS 39.52.110(b)</b></p> <p>Removes the ambiguous words [SUBSTANTIAL] and [INSIGNIFICANT] from the statute.</p> <p>Adds new language:  <b>"(3) financial interest in a matter is held in a blind trust or the public officer does not have management control over the financial interest; or</b>  <b>(4) personal or financial interest in a matter is in regard to a business and the public officer</b>  <b>(A) does not own a controlling interest in the business;</b>  <b>(B) does not own more than one percent of the stock in the business and the stock owned has a value of less than \$10,000;</b>  <b>(C) owns an equity interest in the business worth less than \$10,000;</b>  <b>(D) is not a member of the board of directors or another governing body of the business;</b>  <b>(E) is not an elected officer of the business;</b>  <b>(F) does not provide personal or professional services to the business;</b>  <b>(G) does not have a contract with the business; and</b>  <b>(H) is not an employee of the business."</b></p>	<p><b>Section 1 - AS 39.52.110(b)</b></p> <p>Removes the ambiguous words [SUBSTANTIAL] and [INSIGNIFICANT] from the statute.</p> <p>Adds new language:  <b>(2) action or influence would have insignificant or conjectural effect on the matter; "or personal or financial interest in a matter is in regard to a business and the public officer</b>  <b>(A) does not own a controlling interest in the business;</b>  <b>(B) does not own stock or options to buy stock that, when combined,</b>  <b>(i) equal more than one percent of the stock in the business; or</b>  <b>(ii) have a total value of more than \$10,000;</b>  <b>(C) owns or has an option to buy</b>  <b>(i) less than one percent of the equity interest in the business; and</b>  <b>(ii) an equity interest in the business worth less than \$10,000;</b>  <b>(D) is not a member of the board of directors or another governing body of the business;</b>  <b>(E) is not an elected officer of the business;</b>  <b>(F) does not provide or have an option to provide personal or professional services to the business;</b>  <b>(G) does not have a contract or have an option for a contract with the business; and</b>  <b>(H) is not an employee of the business."</b></p>	<p><b>Section 1 - AS 39.52.110(b)</b></p> <p>No Change from the "C" version.</p>
<p><b>Section 2 - AS 39.52.130(f)</b></p> <p>Adds the word "immediate" to describe family member and adds the phrase "business associate" to tighten the statute.</p>	<p><b>Section 2 - AS 39.52.130(f)</b></p> <p>Same as Section 2 in the "S" version.</p>	<p><b>Section 2 - AS 39.52.130(f)</b></p> <p>Same as Section 2 in the "S" version.</p>
<p><b>Section 3 - AS 39.52.140</b></p> <p>Adds the words "or position"; "business associate" and "or by reason of the officer's position" to</p>	<p><b>Section 3 - AS 39.52.140</b></p> <p>Same as Section 3 in the "S" version.</p>	<p><b>Section 3 - AS 39.52.140</b></p> <p>Same as Section 3 in the "S" version.</p>

better describe the public officer's capacity.	(intentionally blank)	(intentionally blank)
<b>Section 4 - AS 39.52.140</b>  Adds a new subsection: “(c) A current or former public officer may not disclose information that is confidential under AS 39.52.340(a).”	Version “S” Section 4 language removed from the “C” version.	Version “C” change carried forward to the “P” version.
<b>Section 5 - AS 39.52.150(a)</b>  Adds new language: “business associate”.	<b>Section 4 - AS 39.52.150(a)</b>  Same as Section 5 in the “S” version.	<b>Section 4 - AS 39.52.150(a)</b>  Same as Section 5 in the “S” version.
<b>Section 6 - AS 39.52.150(c)</b>  Adds new language: “business associate”.	<b>Section 5 - AS 39.52.150(c)</b>  Same as Section 6 in the “S” version.	<b>Section 5 - AS 39.52.150(c)</b>  Same as Section 6 in the “S” version.
<b>Section 7 - AS 39.52.150(d)</b>  Adds new language: “business associate”.	<b>Section 6 - AS 39.52.150(d)</b>  Same as Section 7 in the “S” version.	<b>Section 6 - AS 39.52.150(d)</b>  Same as Section 7 in the “S” version.
<b>Section 8 AS 39.52.210(b)</b>  Adds a new subsection: “(B) the placement by the employee of the financial interest that gives rise to the potential violation into a blind trust or other investment where the employee does not have management control over the financial interest.”	Version “S” Section 8 language removed from the “C” version.	Version “C” change carried forward to the “P” version.
(intentionally blank)	(intentionally blank)	<b>Section 7 - AS 39.52.165</b>  Adds a new section: “A public officer may not, in taking official action, violate or be required to violate a provision of a code or canon of professional ethics if the public officer's professional conduct is bound by the code or canon of professional ethics as a condition of obtaining or retaining a license to engage in or to practice the profession.”
<b>Section 9 - AS 39.52.230</b>  Adds new language: “Except where the report concerns the governor, lieutenant governor, or the attorney general” and “If the report concerns the governor, lieutenant governor, or the attorney general, the supervisor shall refer the report as provided in (b) of this section.”	<b>Section 7 - AS 39.52.230</b>  Same as Section 9 in the “S” version.	<b>Section 8 - AS 39.52.230</b>  Same as Section 9 in the “S” version.
(intentionally blank)	(intentionally blank)	(intentionally blank)

**Section 10 - AS 39.52.230**

Adds a new subsection:

**“(b) If a report or allegation of a violation of AS 39.52.110 – 39.52.190 by the governor, lieutenant governor, or attorney general come to the attention of the designated supervisor for the governor, lieutenant governor, or attorney general, or attorney general under AS 39.52.210(a)(2) or by filing of an ethics complaint under AS 39.52.310(b), then,**

- (1) in the case of a report or allegation against the governor or the lieutenant governor, the attorney general shall refer the matter to the personal board, which shall appoint an independent counsel to investigate; the independent counsel shall have power to issue and enforce subpoenas under AS 39.52.380 and 39.52.390; the independent counsel shall prepare a written report of the investigation; the written report must include findings of fact and a conclusion as to whether, in the opinion of the independent counsel, the facts constitute conduct in violation of AS 39.52.110 – 39.52.190; the report of the independent counsel shall be submitted to the attorney general; the attorney general shall review the report and make an independent determination as to whether the independent counsel’s findings of fact, if true, would constitute conduct in violation of AS 39.52.110 – 39.52.190; if the attorney general concludes that the facts as found by the independent counsel would constitute a violation of AS 39.52.110 – 39.52.190, then the attorney general shall treat the independent counsel’s report as a complaint and shall refer the report to the personnel board under AS 39.52.310(c); if the attorney general concludes that the facts as found by the**

**Section 8 - AS 39.52.230**

Same as Section 10 in the “S” version.

**Section 9 - AS 39.52.230**

Same as Section 10 in the “S” version.

**independent counsel would not constitute a violation of AS 39.52.110 – 39.52.190, the investigation shall be closed and no further enforcement action shall be taken; nothing in this paragraph precludes a person from filing a complaint concerning the same matter under AS 39.52.310(b);**

**in the case of a report or allegation against the attorney general, the governor shall refer the matter to the personnel board, which shall appoint an independent counsel to investigate; the independent counsel shall have power to issue and enforce subpoenas under AS 39.52.380 and 39.52.390; the independent counsel shall prepare a written report of the investigation; the written report must include findings of fact and a conclusion as to whether, in the opinion of the independent counsel, the facts constitute in violation of AS 39.52.110 – 39.52.190; the report of the independent counsel shall be submitted to the governor; the governor shall review and make an independent determination as to whether the independent counsel’s findings of fact, if true, would constitute conduct in violation of AS 39.52.110 – 39.52.190; if the governor desires legal advice in making this determination, the personnel board, at the governor’s request, shall appoint additional independent counsel to advise the governor on legal issues; if the governor concludes that the facts as found by the independent counsel would constitute a violation of AS 39.52.110 – 39.52.190, then the governor shall refer the report to the personnel board for appropriate action in accordance with the procedures set out in AS 39.52.310(c); if the governor concludes that the facts as found by the independent counsel would not constitute a violation of AS 39.52.110 – 39.52.190, the investigation shall be closed and no further enforcement action shall be taken; nothing in this paragraph precludes a person from filing a complaint concerning the same matter under AS 39.52.310(b).”**

(intentionally blank)

(intentionally blank)

<p><b>Section 11 - AS 39.52.240(a)</b></p> <p>Adds clarifying language:  <b>"This section does not apply to a report or an allegation investigated under AS 39.52.230(b)."</b></p>	<p><b>Section 9 - AS 39.52.240(a)</b></p> <p>Same as Section 11 in the "S" version.</p>	<p><b>Section 10 - AS 39.52.240(a)</b></p> <p>Same as Section 11 in the "S" version.</p>
<p><b>Section 12 - AS 39.52.310(a)</b></p> <p>Adds an additional cite:  AS "39.52.230(a)" to the list of statutes under which the attorney general may initiate a complaint.</p>	<p><b>Section 10 - AS 39.52.310(a)</b></p> <p>Same as Section 12 in the "S" version.</p>	<p><b>Section 11 - AS 39.52.310(a)</b></p> <p>Same as Section 12 in the "S" version.</p>
<p><b>Section 13 - AS 39.335(c)</b></p> <p>Adds inclusive language:  <b>"the subject of the complaint"</b> within the distribution of those receiving the summary report.</p> <p>Removes language:  [(2) SUPERIOR COURT MAKES THE MATTER PUBLIC UNDER (h) OF THIS SECTION].</p>	<p><b>Section 11 - AS 39.52.335(c)</b></p> <p>Same as Section 13 in the "S" version.</p>	<p><b>Section 12 - AS 39.52.335(c)</b></p> <p>Same as Section 13 in the "S" version.</p>
<p><b>Section 14 - AS 39.52.335(f)</b></p> <p>Adds inclusive language:  <b>"the attorney general, the subject of the complaint, and the complainant"</b> to the list of recipients of any final report issued by the personnel board.</p> <p>Adds new language:  <b>"The report is confidential."</b></p> <p>Removes language:  [IF THE MATTER IS CONFIDENTIAL AND THE BOARD DETERMINES THAT PUBLICATION OF THE NAME OF THE SUBJECT IS IN THE PUBLIC INTEREST, THE REPORT MAY INCLUDE A RECOMMENDATION THAT THE MATTER BE MADE PUBLIC].</p>	<p><b>Section 12 - AS 39.52.335(f)</b></p> <p>Same as Section 14 in the "S" version.</p>	<p><b>Section 13 - AS 39.52.335(f)</b></p> <p>Same as Section 14 in the "S" version with one exception.</p> <p>Adds new language:  <b>"The report is confidential until the personnel board makes a finding of probable cause."</b></p>
<p><b>Section 15 - AS 39.52.340(a)</b></p> <p>Adds new language:  <b>"independent counsel"</b> with respect to confidential documents obtained during an investigation.</p> <p>This section also adds:  <b>"complainant, subject of the complaint"</b> to those persons who must maintain confidentiality during the course of an investigation <b>"or proceeding"</b>.</p> <p>This section also adds:  <b>"A person may not disclose to any other person the filing of or intention to file a complaint under AS 39.52.310 except to a person assisting in the filing of the</b></p>	<p><b>Section 13 - AS 39.52.340(a)</b></p> <p>Adds new language:  <b>"independent counsel"</b> with respect to confidential documents obtained during an investigation.</p> <p>This section also adds:  <b>"complainant, subject of the complaint"</b> to those persons who must maintain confidentiality during the course of an investigation <b>"or proceeding"</b>.</p> <p>This section also adds:  <b>"In a proceeding conducted or an action taken under this chapter,</b>  (1) <b>a person may not disclose the filing of a complaint, its contents, or related matters</b></p>	<p><b>Section 14 - AS 39.52.340(a)</b></p> <p>Same as Section 13 in the "C" version.</p>

complaint. A person may not disclose information regarding the intention of another to file a complaint under AS 39.52.310. This subsection does not prevent a person from obtaining directly from a state agency a public record of that agency that has also been made available in connection with an investigation or a formal proceeding under AS 39.52.310 – 39.52.390.”

until after the personnel board makes a finding of probable cause or unless the disclosure is made while the person is

- (A) communicating with personnel board members or staff;
- (B) seeking advice from an attorney; or
- (C) lawfully representing the person or the person's client in defense of a complaint that has been filed and the disclosure is in defense of a complaint that has been filed and the disclosure is necessary;

(2) personnel board proceedings related to a complaint that has been filed are closed to all persons except board members and staff until after the board makes a finding of probable cause unless

(A) the board permits otherwise after finding that fairness to the subject of the complaint may be advanced by the permission; or

(B) the subject of the complaint waives confidentiality;

(3) the complaint document and each related record are confidential are not available for public inspection unless

(A) the personnel board makes a finding of probable cause; or

(B) the subject of the complaint waives confidentiality;

(4) under this section, if the subject of a complaint waives confidentiality of a proceeding or a document, the entire proceeding is open to the public, and the entire document is available for public inspection;

(5) the personnel board shall make appropriate efforts to provide notice of the confidentiality

(intentionally blank)

(intentionally blank)	<p>requirements of this section;</p> <p><b>(6) this section governs confidentiality only for complaints filed under this chapter and does not alter confidentiality or the rights of any person for matters not connected with this chapter;</b></p> <p><b>this subsection does not prevent a person from obtaining directly from a state agency a public record of that agency that has also been made available in connection with an investigation or a formal proceeding under AS 39.53.310 – 39.52.390.”</b></p>	(intentionally blank)
<p><b>Section 16 – AS 39.52.340</b></p> <p>Adds new subsections:</p> <p><b>“(d) A person may not disclose information that is confidential under (a) of this section.</b></p> <p><b>(e) Except for a current or former public officer covered by AS 39.52.140(c), a person who violates (d) of this section is subject to a civil penalty of up to \$5,000.</b></p> <p><b>(f) The attorney general may enforce this section by filing an appropriate civil action.”</b></p>	<p>Version “S” Section 16 language removed from the “C” version.</p>	<p>Version “C” change carried forward to the “P” version.</p>
(intentionally blank)	<p><b>Section 14 – AS 39.52.352</b></p> <p>Adds a new section:</p> <p><b>“Wrongful use of complaint. (a) The board may find there has been wrongful use of an executive branch ethics complaint if it determines, after compliance with due process requirements, including a public hearing, if requested, and a majority vote, that the complainant</b></p> <p><b>(1) made a factual allegation in the complaint knowing the allegation to be false or with reckless disregard of the truth or falsity of the allegation; or</b></p> <p><b>(2) did not reasonably believe that the facts alleged in the complaint, if proven, would constitute a violation of this chapter.</b></p> <p><b>(b) The board may not find wrongful use of an executive branch ethics complaint under (a)(2) of this section if the complainant filed the complaint in reliance on advice from the complainant’s attorney, a member or staff of the board, or an employee of the state acting in an official</b></p>	<p><b>Section 15 – AS 39.52.352</b></p> <p>Adds a new section:</p> <p><b>“Wrongful use of complaint. (a) The board may find there has been wrongful use of an executive branch ethics complaint if it determines, after compliance with due process requirements, including a public hearing, if requested, and a majority vote, that the complainant made a factual allegation in the complaint knowing the allegation to be false or with reckless disregard of the truth or falsity of the allegation.</b></p> <p><b>(b) If, under (a) of this section, the board makes a finding of wrongful use of an executive branch ethics complaint, the board shall notify both the complainant and the subject of the complaint of its final determination under (a) of this section. The board</b></p> <p><b>(1) shall provide to the subject of the complaint the name and last known mailing address of the complainant; and</b></p> <p><b>(2) may recommend sanctions under AS 39.52.410 – 39.52.440.”</b></p>

(intentionally blank)	<p>capacity.  <b>(c) If, under (a) of this section, the board makes a finding of wrongful use of an executive branch ethics complaint, the board shall notify both the complainant and the subject of the complaint of its final determination under (a) of this section. The board</b>  <b>(1) shall provide to the subject of the complaint the name and last known mailing address of the complainant; and</b>  <b>(2) may recommend sanctions under AS 39.52.410 – 39.52.440.”</b></p>	(intentionally blank)
<p><b>Section 17 – AS 39.52.380(a)</b>   Adds cite:  “AS 39.52.230(b).”</p>	<p><b>Section 15 – AS 39.52.380(a)</b>   Same as Section 17 in the “S” version.</p>	<p><b>Section 16 – AS 39.52.380(a)</b>   Same as Section 17 in the “S” version.</p>
<p><b>Section 18 – AS 39.52.410(a)</b>   Adds language pertaining to actions taken by the personnel board in the event of a violation which could include divestiture or establishment of a blind trust: <b>“for a period of time or under conditions determined appropriate, placement of the financial interest in/0 an investment where the employee does not have management control over the financial interest”</b>, restitution, or forfeiture.</p>	<p><b>Section 16 – AS 39.52.410(a)</b>   Version “S” Section 18 language removed from the “C” version.   Furthermore, the following existing statutory language is removed: [ESTABLISHMENT OF A BLIND TRUST].</p>	<p><b>Section 17 – AS 39.52.410(a)</b>   Same as Section 15 in the “C” version.</p>
<p><b>Section 19 – AS 39.52.960(9)</b>   Adds language to the definition of financial interest which now also means:  <b>“(C) an interest held by a public officer with a business associate”.</b></p>	<p><b>Section 17 – AS 39.52.960(9)</b>   Same as Section 19 in the “S” version.</p>	<p><b>Section 18 – AS 39.52.960(9)</b>   Same as Section 19 in the “S” version.</p>
<p><b>Section 20 – AS 39.52.960(11)</b>   Makes changes to the definition of immediate family member which now reads:  <b>(B) another person “living in the same household” [COHABITATING] with the person in a “sexual” [CONJUGAL] relationship that is not a legal marriage;</b>  <b>(D) a parent “or” sibling [GRANDPARENT, AUNT, OR UNCLE] of the person; [AND]</b>  <b>(E) a “child,” parent, or sibling of the person’s spouse; “and</b>  <b>(F) a child, parent, or sibling of another person living in the same household with the person in a</b></p>	<p><b>Section 18 – AS 39.52.960(11)</b>   Same as Section 20 in the “S” version.</p>	<p><b>Section 19 – AS 39.52.960(11)</b>   Same as Section 20 in the “S” version.</p>

<b>sexual relationship that is not a legal marriage”.</b>	(intentionally blank)	(intentionally blank)
<b>Section 21 – AS 39.52.960</b>  Adds new definitions: “(23) ‘business associate’ means any person with whom a public officer jointly shares the management, control, or majority ownership of a business for the conduct of trade, commerce, the practice of a profession, or any other occupation engaged in for the purpose of providing income or potential income to the public officer, regardless of how the business is organized; (24) ‘household’ means a social unit of those persons living together in the same dwelling.”	<b>Section 19 – AS 39.52.960</b>  Same as Section 21 in the “S” version.	<b>Section 20 – AS 39.52.960</b>  Same as Section 21 in the “S” version.
<b>Section 22 – AS 39.52.335(h)</b>  Repealer.	<b>Section 20. – AS 39.52.335(h)</b>  Same as Section 22 in the “S” version.	<b>Section 21. – AS 39.52.335(h)</b>  Same as Section 22 in the “S” version.
<b>Section 23</b>  Effective date: January 1, 2006.	<b>Section 21</b>  Same as Section 23 in the “S” version.	(intentionally blank)

**SB**

**210**

**Janet Seitz**

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**From:** Frank Dahl [frankdahl@customcpu.com]

**Sent:** Wednesday, April 05, 2006 3:53 PM

**To:** Sen. Tom Wagoner; Sen. Ralph Seekins; Sen. Lyman Hoffman; Sen. Lyda Green; Sen. Kim Elton; Sen. Johnny Ellis; Sen. John Cowdery; Sen. Hollis French; Sen. Gretchen Guess; Sen. Georgianna Lincoln; Sen. Gene Therriault; Sen. Gary Wilken; Sen. Gary Stevens; Sen. Fred Dyson; Sen. Donny Olson; Sen. Con Bunde; Sen. Bettye Davis; Sen. Bert Stedman; Sen. Ben Stevens; Rep. Vic Kohring; Rep. Tom Anderson; Rep. Sharon Cissna; Rep. Richard Foster; Rep. Reggie Joule; Rep. Ralph Samuels; Rep. Pete Kott; Rep. Peggy Wilson; Rep. Paul Seaton; Rep. Norman Rokeberg; Rep. Nick Stepovich; Rep. Nancy Da' Istrom; Rep. Mike Hawker; Rep. Mike Chenault; Rep. Max Gruenberg; Rep. Mary Kapsner; Rep. Lesil McGuire; Rep. Les Gara; Rep. Kevin Meyer; Rep. Kelly Wolf; Rep. John Harris; Rep. John Coghill; Rep. Jim Holm; Rep. Hugh Fate; Rep. Harry Crawford; Rep. Ethan Berkowitz; Rep. Eric Croft; Rep. David Guttenberg; Rep. Dan Ogg; Rep. Carl Moses; Rep. Carl Morga., Rep. Bruce Weyhrauch; Rep. Bob Lynn; Rep. Bill Williams; Rep. Bill Stoltze; Rep. Beth Kertula; Rep. Albert Kookesh

**Subject:** Re: More alcohol abuse penalties wont work ! – SB 210 & HB 190

**Post Script:** I just found out that the SB 210 ammendment has been dropped, so, am satisfied with the original language of SB 210.....but, killing HB 190 is still needed.

Thank you.....Frank Dahl (907) 243- 8340

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||  
||

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 30, 2006

**SUBJECT:** Transfer of Liquor License Between Cities in a Borough  
(CSSB 210(RLS))

**TO:** Representative Norman Rokeberg

**FROM:** Kathryn L. Kurtz *KL*  
Assistant Revisor

You asked whether CSSB 210(RLS) will permit transfer of licenses from city to city within a borough. The answer is yes. Under AS 04.11.400(n), the board may allow relocation of a license from one city to another in a borough, provided that both the borough and the city the license is being moved to approve of the relocation.

KLK:med  
06-258.med

Enclosure

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: HCS CSSB 210(RLS)

1 Page 3, lines 8 - 12:

2 Delete all material and insert:

3 "(n) The board may approve the relocation of a license within a borough  
4 without regard to (a) of this section if the relocation is approved by

5 (1) the borough assembly;

6 (2) the city council of the city the license is being relocated from, if the  
7 license is being relocated from a city; and

8 (3) the city council of the city the license is being relocated to, if the  
9 license is being relocated to a city."

(n) [WITHOUT REGARD TO (A) OF THIS SECTION,] The [THE] board may allow the relocation of a license within a borough, including relocation to [WITHIN] an incorporated city within a borough[.]. If the relocation is between an area outside an incorporated city and an incorporated city, both the governing bodies of the borough and the incorporated city must approve the relocation. If the relocation is between incorporated cities within the borough, the governing bodies of both incorporated cities must approve the relocation [IF THE GOVERNING BODY OF THE BOROUGH APPROVES OF THE RELOCATION AND, IF THE LICENSE IS BEING RELOCATED INTO OR WITHIN AN INCORPORATED CITY, THE GOVERNINC BODY OF THE INCORPORATED CITY APPROVES OF THE RELOCATION].

Relocation under this subsection does not increase the total number of licenses authorized under (a) of this section for the borough.

*SB210 floor amendment  
will be similar to this language*



## CITY OF WASILLA

290 East Herning Avenue • Wasilla • Alaska • 99654-7091  
• Telephone 907-373-9070 • Fax 907-373-9085

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March 24, 2006

The City of Wasilla has been contacted by several national restaurant chains, including Chili's and Applebee's, who are interested in opening a restaurant here in Wasilla but are being constrained by the lack of available liquor licenses within the City limits.

The ability of the Alcohol and Liquor Control Board to allow relocation of an existing license from within the Matanuska-Susitna Borough to Wasilla upon the approval of the Borough Assembly and City Council would greatly enhance Wasilla's economic development efforts. We understand that there is an opportunity for Representative Norman Rokeberg to amend a bill introduced by Senator Gene Therriault, SB 210, to include the language necessary to empower the Board to accommodate this type of relocation.

Wasilla's population within its 13 square mile city boundary does not represent its true service area. Wasilla is the commercial hub of the Matanuska-Susitna Borough. With a service area that includes the 75,000 residents of the Mat-Su core area, Wasilla is attractive to these national restaurants.

We believe that having these well known quality restaurants in the City will provide an attractive amenity to all the residents of the valley and will increase our ability to attract and serve tourists traveling through Alaska to our community.

Your assistance and support for the amendment to SB 210 proposed by Representative Rokeberg would be appreciated.

Sincerely,

Ted Leonard, CMA, SPHR  
Director of Finance and Administrative Services



415 E. Railroad Avenue (Historic Depot) • Wasilla, AK 99654  
Email: info@wasillachamber.org

Telephone (907) 376-1200 • Fax (907) 373-2560  
Home Page: www.wasillachamber.org

Voted "Alaska's Outstanding Local Chamber of Commerce ~ 1998"

bp



March 24, 2006

Re: Amendment to Senate Bill 210



To Whom It May Concern:



This letter is written in support of amendment to Senate Bill #210 presented by Representative Rokeberg. Additional liquor licenses are crucial in the economic development of the Mat-Su Valley. The core area of Wasilla and Palmer are the fastest growing communities in the state of Alaska. Our population and commercial growth are exploding. New restaurants are unable to build and serve our communities without the inclusion of liquor licenses.



We strongly encourage you to help us expand and grow our economy in a healthy manner by passing Senate Bill 210.



Sincerely,



Cheryl Metiva, Executive Director  
Greater Wasilla Chamber of Commerce



**Heather Brakes**

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**From:** Kathryn Dodge [kdodge@co.fairbanks.ak.us]  
**Sent:** Wednesday, March 29, 2006 3:02 PM  
**To:** Heather Brakes  
**Cc:** Mayor@NorthPoleAlaska.com; mayor@ci.fairbanks.ak.us; Jim Whitaker; Pat B. Cole (pbcole@ci.fairbanks.ak.us); Jennifer Yuhas; 'sgarley@ci.wasilla.ak.us'; Linda Anderson (lindaa@gci.net)  
**Subject:** SB 210 amendment

Senator Therriault,

Thank you for this opportunity to comment on the proposed Amendment to SB 210. The Fairbanks North Star Borough and Cities of Fairbanks and North Pole all support this amendment, as long as there is a provision that both governing bodies MUST approve of the relocation of a liquor license. In fact, we believe that this amendment may be useful to the City of North Pole.

Sincerely,

Jeff Jacobson  
Mayor  
City of North Pole

Steve Thompson  
Mayor  
City of Fairbanks

Jim Whitaker  
Mayor  
Fairbanks North Star Borough

AMENDMENT

OFFERED IN THE HOUSE  
TO: SB 210

BY REPRESENTATIVE ROKEBERG

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

2 Insert "relating to relocation of existing licenses within a borough;"

3

4 Page 2, following line 3:

5 Insert new bill sections to read:

6 \*\* Sec. 2. AS 04.11.400(a) is amended to read:

7 (a) Except as provided in (d) - (h), (k), [AND] (l), and (n) of this section, a  
8 new license may not be issued and the board may prohibit relocation of an existing  
9 license

10 (1) outside an established village, incorporated city, unified  
11 municipality, or organized borough if after the issuance or relocation there would be  
12 (A) more than one restaurant or eating place license for each 1,500 population or  
13 fraction of that population, or (B) more than one license of each other type, including  
14 licenses that have been issued under (d) or (e) of this section, for each 3,000  
15 population or fraction of that population, in a radius of five miles of the licensed  
16 premises, excluding the populations of established villages, incorporated cities, unified  
17 municipalities, and organized boroughs that are wholly or partly included within the  
18 radius;

19 (2) inside an established village, incorporated city, or unified  
20 municipality if after the issuance or relocation there would be inside the established  
21 village, incorporated city, or unified municipality

22 (A) more than one restaurant or eating place license for each  
23 1,500 population or fraction of that population; or

1 (B) more than one license of each other type, including licenses  
2 that have been issued under (d) or (e) of this section, for each 3,000 population  
3 or fraction of that population;

4 (3) inside an organized borough but outside an established village or  
5 incorporated city located within the borough, if after the issuance or relocation there  
6 would be inside the borough, but outside the established villages and incorporated  
7 cities located within the borough,

8 (A) more than one restaurant or eating place license for each  
9 1,500 population or fraction of that population; or

10 (B) more than one license of each other type, including licenses  
11 that have been issued under (d) or (e) of this section, for each 3,000 population  
12 or fraction of that population excluding the population of those established  
13 villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4),  
14 and excluding the population of incorporated cities located within the  
15 organized borough.

16 **Sec. 3.** AS 04.11.400 is amended by adding a new subsection to read:

17 (n) Without regard to (a) of this section, the board may allow the relocation of  
18 a license within a borough, including within an incorporated city within a borough, if  
19 the governing body of the borough approves of the relocation and, if the license is  
20 being relocated into or within an incorporated city, the governing body of the  
21 incorporated city approves of the relocation."  
22

23 Renumber the following bill sections accordingly.

24-LS1781VA  
Luckhaupt  
3/21/06

**HOUSE CONCURRENT RESOLUTION NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVE ROKEBERG**

Introduced:  
Referred:

**A RESOLUTION**

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**  
2 **Legislature, concerning Senate Bill No. 210, relating to alcoholic beverages.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of  
5 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding  
6 changes to the title of a bill, are suspended in consideration of Senate Bill No. 210, relating to  
7 alcoholic beverages.

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 210  
 (S) Publish Date: 2/6/06

Revision Date/Title (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: "An Act relating to the manufacture and transportation of alcoholic beverages..." RDU: Alaska State Troopers  
 Component: AST Detachments  
 Sponsor: Senator Thernault  
 Requester: Senate Finance Committee Component No.: 2325

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 Passage of this legislation will have no fiscal impact to the Department of Public Safety. Enforcement efforts in this area have been ongoing and will continue to use current and existing resources within the division of the Alaska State Troopers.  
  
 Passage of this legislation could act as a significant deterrent against the crime of alcohol importation when the person faces the loss of personal property as a result of his criminal conduct.

Prepared by: Lieutenant James Helgoe Phone 907-269-4532  
 Division: Alaska State Troopers Date/Time 2/3/06 5:26 PM  
 Approved by: Commissioner William Tandeske Date 2/3/2006  
 Agency: Department of Public Safety



## Alaska State Legislature

### Senate Majority

Web: [www.akrepublicans.org](http://www.akrepublicans.org)

**Sponsor:** Senator Gene Therriault  
**Current Version:** SB 210  
**Contact:** Heather Brakes, 465-4522

#### Fact Sheet for: Senate Bill 210

**Short Title:** VIOL. OF ALCOHOLIC BEV. LAWS/FORFEITURE

#### Summary:

- Amends allowable quantities of alcohol to provide consistency between statutes.
- Allows the seizure of alcohol transported by common carrier in violation of current law.
- Authorizes the seizure of property determined to have been purchased or obtained through the proceeds of illegal importation or sale of alcohol.
- Specifies the procedure for a person claiming an interest in property that has been seized.
- Defines "manufacture" of alcohol in local option statutes.

#### Benefits:

- Helps law enforcement better protect communities that have chosen to limit the sale or possession of alcohol under local option laws.
- Clarifies, strengthens and brings uniformity to Alaska's alcohol and beverage control statutes to help fight the importation of alcohol into "dry" communities.

#### Background:

- Recognizing that many Alaska rural residents and communities "... face the highest alcohol abuse and family violence rates in the country," Congress established the Alaska Rural Justice and Law Enforcement Commission in 2004. In 2005 the Commission released a Draft Interim Report making several recommendations, including amendments to current statutes. SB 210 implements some of those recommendations to help law enforcement and communities fight the illegal importation of alcohol.

# Alaska State Legislature

SENATOR  
GENE THERRIAULT

Mailing Address  
119 N. Cushman, Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
Fax (907) 488-4271



Senate

While in session  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
Fax (907) 465-3884  
SENATE DISTRICT F

## SPONSOR STATEMENT SB 210

*"An Act relating to the manufacture and transportation of alcoholic beverages; relating to forfeitures of property for violations of alcoholic beverage laws; and relating to violations of alcoholic beverage laws."*

In 2004, Congress established the Alaska Rural Justice and Law Enforcement Commission, recognizing that many rural communities and their residents: *"...face the highest alcohol abuse and family violence rates in the country."* The Commission released a Draft Interim Report in late 2005 that contained recommendations including amendments to several provisions in Alaska statutes.

Senate Bill 210 makes changes to current law to better assist law enforcement in protecting communities that have chosen to limit the sale, or possession of alcohol under local option laws. First, Senate Bill 210 strengthens current forfeiture provisions in statute by allowing for seizure of alcohol transported by common carrier in violation of local option laws. Secondly, it allows for the authority to seize property determined to have been purchased or obtained through the proceeds of illegal importation or sale of alcohol. Further, SB 210 proposes a streamlined procedure to give notice of forfeiture proceedings to a person who may claim an interest in property that has been seized.

SB 210 also proposes to make changes by adding a definition of "manufacture" of alcohol and provides consistency between statutes by amending the allowable quantities of alcohol. While current statute prohibits the manufacture of alcohol in a community that has adopted a local option, it does not include a definition. The legislation also clears up inconsistency in the statutes as it relates to the presumptive amount of possession for sale. By amending these provision we are providing clarity and assisting law enforcement and communities in their continued interdiction efforts in damp or dry areas of the state.

There are currently over 100 communities in Alaska that have chosen a local option to combat the problems associated with alcohol abuse and violence. SB 210 provides clarity, consistency, and strength to the state's alcohol and beverage control statutes in order to assist law enforcement and communities to fight the illegal importation of alcohol.

**Draft Interim Report of the  
Alaska Rural Justice and Law Enforcement  
Commission**

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**Attached**

Chapter 1: *Statement of Need*

Appendix G: *Attachments for the Alcohol Importation  
Recommendations*

The Report can be found in full at the following url:  
[http://www.aitc.org/site\\_documents/Draft%20Interim%20Report-2.mht](http://www.aitc.org/site_documents/Draft%20Interim%20Report-2.mht)

## Chapter I. Statement of Need

The Alaska Rural Justice and Law Enforcement Commission was created by Congress to respond to a number of needs related to justice and law enforcement in rural Alaska that are detailed in the congressional language (Public Law 108-199). This chapter of the Commission's Final Report reviews current conditions in rural Alaska, recounts the history of law enforcement in rural Alaska, recognizes some of the improvements in rural Alaska that have occurred in recent years, and presents excerpts of the testimony given to the Commission during the public hearings.

### A. Current Conditions

#### 1. Problems the Commission has been asked to address

Like all communities nationwide, residents of remote, rural Alaska grapple with family violence, child abuse and neglect, and alcohol addiction. Unlike other communities, however, many remote rural residents in Alaska lack a law enforcement presence in their communities and face the highest alcohol abuse and family violence rates in the country. Congress asked the Commission to consider various options that might address these issues, including creation of a unified law enforcement and judicial system, cross deputization, and restorative justice methods to address family violence, child protection and alcohol consumption. This charge reflects congressional concern about the profound challenges facing rural Alaska.

Alcohol abuse presents profound challenges in rural Alaska; its effects are insidious, affecting and influencing the health and welfare of all who live there. As the Alaska Natives Commission reported more than a decade ago:

Facts do not lie: alcohol abuse among Alaska Natives equals tragedy for family and village. It is proven that alcohol abuse equals violence, imprisonment, and death. It is proven that alcohol abuse in the Native family results in frightened, psychologically disordered children. Alcohol abuse leaves FAS, FAE, and a myriad other physical and psychological symptoms in its destructive wake.<sup>1[3]</sup>

Last year the Institute of Social and Economic Research (ISER), University of Alaska Anchorage, in its *The Status of Alaska Natives Report 2004, Volume I*, stated, "Analysts say that the most difficult social problems in the Native community – from high rates of suicide to domestic violence and child abuse – can be traced in large part to alcohol."<sup>2[4]</sup> The costs to Alaska are not only social. Financially, it is estimated that alcohol abuse and alcoholism cost Alaska well over \$615,000,000 a year.<sup>3[5]</sup>

The Commission emphasizes that alcohol abuse and alcoholism in rural Alaska are not *Native* problems, *per se*, but rather problems for Natives and non-Natives alike.

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But the Commission also acknowledges that over 66% of the population in rural Alaska is Native<sup>4[6]</sup> and that recommendations in this report that mention the importance of culturally appropriate approaches predominantly focus on Alaska Natives. However, that is not intended to imply that these approaches are inappropriate for non-Natives living in rural Alaska.

The impacts of substance abuse and the relevance of finding effective means to prevent alcohol and other drugs from reaching rural Alaska communities that have, through local option laws, decided to ban, partially or wholly, alcohol<sup>5[7]</sup> are important threads in the fabric of society in rural Alaska, as they have been in the Commission's work over the last ten months. Numerous statistics point to the continuing – and in many cases growing – overrepresentation of Alaska Natives from rural Alaska among children in need of aid, victims and perpetrators of domestic violence and sexual assault, and other crimes. The percentage of Native children under the care of the Office of Children's Services hovers close to 50% and the numbers of Native youth and adults in Alaska's juvenile justice and correctional systems are similarly disproportionately large. The justice systems in rural Alaska struggle to find locally and culturally appropriate ways to manage offenders in a way that minimizes negative impacts to families and communities and strives to restore harmony quickly. There are frequent "disconnects" between tribal and state court systems, and disputes over jurisdiction continue throughout rural Alaska. In the mean time, rural residents criticize the inadequacies of current law enforcement and public safety in much of rural Alaska, but an affordable and acceptable resolution has yet to be found.

Domestic violence, child abuse, child neglect, and sexual assault are major problems in rural Alaska. The following quote highlights the experiences of one Alaskan researcher:

In Alaska, we often see abusive partners who have relocated their families to remote communities to isolate them from the support of their friends and family, and to more easily track and control their movements. Victims may be held hostage in their own homes with no winter clothing or means of escaping their extreme isolation. Deprivation and isolation become powerful tools to control victims.

One survivor, who shares her story to help others understand the dynamics of abuse in rural communities, described how her husband stranded her and their new baby at a remote fish camp for several weeks without enough food, medications and other essentials. Eventually, she was able to escape her abusive marriage and became a domestic violence outreach worker to remote villages in the Arctic. Although she struggles with debilitating, long-term health problems secondary to the abuse, she survived. Her former husband murdered his next wife.

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When domestic violence services are available in rural regions, they face additional challenges in maintaining security and accommodating rural lifestyles. In Alaska, none of the shelter locations are secret – the communities are too small to hide a facility. Maniilaq Family Crisis Center, a victims' assistance program and shelter in northwestern Alaska, offers a safe haven to victims and the animals that they are often unwilling to leave behind. The center uses a snowmobile to pick up clients and has a fenced yard where clients can keep their dog teams and other animals. Susan Jones, the center's executive director, takes threats against victims' pets seriously. The murder or mutilation of a pet by an abusive partner is another indicator of escalating domestic violence.<sup>6[8]</sup>

Statistics reported by the Alaska Council on Domestic Violence and Sexual Assault highlight the seriousness and widespread nature of the situation in Alaska:<sup>7[9]</sup>

- In calendar year 2002 the Division of Family and Youth Services (now the Office of Children's Services) received 1,475 reports of suspected child sexual abuse.  
(Division of Family and Youth Services, State of Alaska)
- On average, an Alaska woman is forcibly raped every 18 hours and 17 minutes.  
(Alaska Uniform Crime Report, 2001)
- During FY 2002, 1,851 victims of sexual assault sought services from victim service programs in Alaska.  
(Council on Domestic Violence and Sexual Assault, State of Alaska)
- 311 sexual assault cases and 241 sexual abuse of a minor cases were referred to Alaska District Attorney offices in 2001.  
(Department of Law, State of Alaska)

Domestic violence, child abuse, child neglect, and sexual assault, especially in rural Alaska and in the Alaska Native population, represent major issues that need new, creative solutions to resolve.

Part of the solution may lie in enhanced or altered rural law enforcement. Accordingly, the Commission also has been asked to study issues related to law enforcement in rural Alaska. A brief history will help put the current systems in perspective.

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**APPENDIX G**

**ATTACHMENTS FOR RECOMMENDATIONS RELATED TO**

**THE DEFINITION OF ALCOHOL MANUFACTURE**

**FORFEITURE**

**QUANTITY CONSISTENCY**

## Attachment 1: Definition of Alcohol Manufacture

The suggested statutory changes are as follows.

**Part** in AS 04.21.080(b) alcohol definition section: **"manufacture" of alcoholic beverages means to use the fermentation process with natural or artificial sugar and yeast, or the distillation process, to create alcoholic content.**

The statutes currently do not have a definition for "manufacture" as it relates to alcohol, but below are the definitions of Title 4 "alcoholic beverage" and Title 11.71 drug cases "manufacture".

**AS 04.21.080(b)(1) "alcoholic beverage"** means a spirituous, vinous, malt, or other fermented or distilled liquid, whatever the origin, that is intended for human consumption as a beverage and that contains one-half of one percent or more of alcohol by volume, whether produced commercially or privately; however, in an area that has adopted a local option under AS 04.11.491, "alcoholic beverage" means a spirituous, vinous, malt, or other fermented or distilled liquid, whatever the origin, that is intended for human consumption as a beverage by the person who possesses or attempts to possess it and that contains alcohol in any amount if the liquid is produced privately, or that contains one-half of one percent or more of alcohol by volume, if the liquid is produced commercially;

### **AS 11.71.900(13) "manufacture"**

**A.** means the production, preparation, propagation, compounding, conversion, growing, or processing of a controlled substance, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis; however, the growing of marijuana for personal use is not manufacturing;

**B.** includes the preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance or its container unless done in conformity with applicable federal law

**(i)** by a practitioner as an incident to the practitioner's administering or dispensing of a controlled substance in the course of the practitioner's professional practice; or

**(ii)** by a practitioner, or by the practitioner's authorized agent under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale;

## Attachment 2: Forfeiture

Below are the current provisions of the forfeiture statute as applies to alcohol offenses. Added in bold are the suggested statutory changes.

### AS 04.16.220

(a) The following are subject to forfeiture:

(1) alcoholic beverages manufactured, sold, offered for sale or possessed for sale, bartered or exchanged for goods and services in this state in violation of AS 04.11.010; alcoholic beverages possessed, stocked, warehoused, or otherwise stored in violation of AS 04.21.060; alcoholic beverages sold, or offered for sale in violation of a local option adopted under AS 04.11.491; alcoholic beverages transported into the state and sold to persons not licensed under this chapter in violation of AS 04.16.170(b); **alcoholic beverages transported in violation of AS 04.16.125.**

(2) materials and equipment used in the manufacture, sale, offering for sale, possession for sale, barter or exchange of alcoholic beverages for goods and services in this state in violation of AS 04.11.010; materials and equipment used in the stocking, warehousing, or storage of alcoholic beverages in violation of AS 04.21.060; materials and equipment used in the sale or offering for sale of an alcoholic beverage in an area in violation of a local option adopted under AS 04.11.491;

(3) aircraft, vehicles, or vessels used to transport, or facilitate the transportation of

(A) alcoholic beverages manufactured, sold, offered for sale or possessed for sale, bartered or exchanged for goods and services in this state in violation of AS 04.11.010;

(B) property stocked, warehoused, or otherwise stored in violation of AS 04.21.060;

(C) alcoholic beverages imported into a municipality or established village in violation of AS 04.11.499;

(4) alcoholic beverages found on licensed premises that do not bear federal excise

(5) alcoholic beverages, materials or equipment used in violation of AS 04.16.175;

(6) money, securities, negotiable instruments, or other things of value used in financial transactions, **or items of value purchased from the proceeds** derived from activity prohibited under AS 04.11.010 or in violation of a local option adopted under AS 04.11.491; **and**

(7) **a firearm which is visible, carried during, or used in furtherance of a violation of Title 4.**

(b) Property subject to forfeiture under this section may be actually or constructively seized under an order issued by the superior court upon a showing of probable cause that the property is subject to forfeiture under this section. Constructive seizure is effected upon posting a signed notice of seizure on the item to be forfeited, stating the violation and the date and place of seizure. Seizure without a court order may be made if

(1) the seizure is incident to a valid arrest or search;

(2) the property subject to seizure is the subject of a prior judgment in favor of the state; or

(3) there is probable cause to believe that the property is subject to forfeiture under (a) of this section; except for alcoholic beverages possessed on violation of AS 04.11.501 or an ordinance adopted under AS 04.11.501, property seized under this paragraph may not be held over 48 hours or until an order of forfeiture is issued by the court, whichever is earlier.

(c) Within 30 days of a seizure under this section the Department of Public Safety shall make reasonable efforts to ascertain the identity and whereabouts of any person holding an interest or

an assignee of a person holding an interest in the property seized, including a right to possession, a lien, mortgage, or conditional sales contract. The Department of Public Safety shall notify the person ascertained to have an interest in property seized of the impending forfeiture, and before forfeiture the Department of Law shall publish, once a week for four consecutive calendar weeks, a notice of the impending forfeiture in a newspaper of general circulation in the judicial district in which the seizure was made, or if no newspaper is published in that judicial district, in a newspaper published in the state and distributed in that judicial district.

(d) Property subject to forfeiture under (a) of this section may be forfeited

(1) upon conviction of a person for a violation of AS 04.11.010 , 04.11.499, AS 04.21.060 , or AS 04.11.501 or an ordinance adopted under AS 04.11.501, or AS 04.16.125 ; or

2) upon judgment by the superior court in a proceeding in rem that the property was used in a manner subjecting it to forfeiture under (a) of this section. Upon service or publication of notice of commencement of a forfeiture action under this section, a person claiming interest in the property shall file within 30 days after the service or publication, a notice of claim setting out the nature of the interest, the date it was acquired, the consideration paid, and an answer to the state's allegations. If a claim and answer is not filed within the time specified, the property described in the state's allegation must be ordered forfeited to the state without further proceedings or showings.

Questions of fact or law raised by a notice of forfeiture action and answer of a claimant in an action commenced under this section must be determined by the court sitting without a jury. This proceeding may be held in abeyance until conclusion of any pending criminal charges against the claimant.

(e) The owner of property subject to forfeiture under (a) or (i) of this section is entitled to relief from the forfeiture in the nature of remission of the forfeiture if, in an action under (d) of this section, the owner shows that the owner

(1) was not a party to the violation;

(2) had no actual knowledge or reasonable cause to believe that the property was used or was to be used in violation of the law; and

(3) had no actual knowledge or reasonable cause to believe that the person committing the violation had

(A) a criminal record for violating this title; or

(B) committed other violations of this title.

(f) A person other than the owner holding, or the assignee of, a lien, mortgage, conditional sales contract on, or the right to possession to property subject to forfeiture under (a) or (i) of this section is entitled to relief from the forfeiture in the nature of remission of the forfeiture if, in an action under (d) of this section, the person shows that the person

(1) was not a party to the violation subjecting the property to forfeiture; and

(2) had no actual knowledge or reasonable cause to believe that the property was to be used in violation of the law; and

(3) had no actual knowledge or reasonable cause to believe that the person committing the violation had

(A) a criminal record for violating this title; or

(B) committed other violations of this title.

(i) Upon conviction for a violation of AS 04.11.010 or 04.11.499, if an aircraft, vehicle, or watercraft is subject to forfeiture under (a) of this section, the court shall, subject to remission to innocent parties under this section,

- (1) order the forfeiture of an aircraft to the state;
- (2) order the forfeiture of a vehicle or watercraft if
  - (A) the defendant has a prior felony conviction for a violation of AS 11.41 or a similar law in another jurisdiction;
  - (B) the defendant is on felony probation or parole; the defendant has a prior conviction for violating AS 04.11.010 or AS 11.499; or
  - (C) the quantity of alcohol transported in violation of this title was twice the presumptive amounts in AS 04.11.010(c).

(j) Notwithstanding (i) of this section, a court is not required to order the forfeiture of a vehicle or watercraft if the court determines that

- (1) the vehicle or watercraft is the sole means of transportation for a family residing in a village;
- (2) the court may impose conditions that will prevent the defendant's use of the vehicle or watercraft; and
- (3) either
  - (A) a member of the family would be entitled to remission under this section if the family member were an owner of or held a security interest in the vehicle or watercraft; or
  - (B) if a member of the family would not be entitled to remission, the family member was unable as a practical matter to stop the violation making the vehicle or watercraft subject to forfeiture.

(k) When forfeiting property under (a), (d), or (i) of this section, a court may award to a municipal law enforcement agency that participated in the arrest or conviction of the defendant, the seizure of property, or the identification of property for seizure, (1) the property if the property is worth \$5,000 or less and is not money or some other thing that is divisible, or (2) up to 75 percent of the property or the value of the property if the property is worth more than \$5,000 or is money or some other thing that is divisible. In determining the percentage a municipal law enforcement agency may receive under this subsection, the court shall consider the municipal law enforcement agency's total involvement in the case relative to the involvement of the state.

- (l) In this section, "village" means a community of fewer than 1,000 persons located off the interconnected state road system.

#### **Current forfeiture provisions relating to controlled substances below**

AS 17.30.110. Items Subject to Forfeiture.

The following may be forfeited to the state:

- (1) a controlled substance which has been manufactured, distributed, dispensed, acquired, or possessed in violation of this chapter or AS 11.71;
- (2) raw materials, products, and equipment which are used or intended for use in manufacturing, distributing, compounding, processing, delivering, importing, or exporting a controlled substance which is a felony under this chapter or AS 11.71;
- (3) property which is used or intended for use as a container for property described in (1) or (2) of this section;
- (4) a conveyance, including but not limited to aircraft, vehicles, or vessels, which has been used or is intended for use in transporting or in any manner in facilitating the

transportation, sale, receipt, possession, or concealment of property described in (1) or (2) of this section in violation of a felony offense under this chapter or AS 11.71; however,

(A) a conveyance may not be forfeited under this paragraph if the owner of the conveyance establishes, by a preponderance of the evidence, at a hearing before the court as the trier of fact, that use of the conveyance in violation of this chapter or AS 11.71 was committed by another person and that the owner was neither a consenting party nor privy to the violation;

(B) a forfeiture of a conveyance encumbered by a valid security interest at the time of seizure is subject to the interest of the secured party if the secured party establishes, by a preponderance of the evidence, at a hearing before the court as the trier of fact, that use of the conveyance in violation of this chapter or AS 11.71 was committed by another person and that the secured party was neither a consenting party nor privy to the violation;

(5) books, records, and research products and materials, including formulas, microfilm, tapes, and data, which are used in violation of this chapter or AS 11.71;

(6) money, securities, negotiable instruments, or other things of value used in financial transactions derived from activity prohibited by this chapter or AS 11.71; and

(7) a firearm which is visible, carried during, or used in furtherance of a violation of this chapter or AS 11.71.

#### **AS 17.30.116. Procedure For Forfeiture Action.**

(a) Within 20 days after a seizure under AS 17.30.110 - 17.30.126, the commissioner of public safety shall, by certified mail, notify any person known to have an interest in an item with an appraised value of \$500 or more, or who is ascertainable from official registration numbers, licenses, or other state, federal, or municipal numbers on the item, of the pending forfeiture action. Additionally, the commissioner of public safety shall publish notice of forfeiture action of an item valued at \$500 or more in a newspaper of general circulation in the judicial district in which the seizure was made, or if no newspaper is published in that judicial district, in a newspaper published in the state and distributed in that judicial district. The notice shall be published once each week during four consecutive calendar weeks. The requirements of this subsection do not apply to the forfeiture of controlled substances which have been manufactured, distributed, dispensed, or possessed in violation of this chapter or AS 11.71, regardless of their value.

(b) Upon service or publication of notice of commencement of a forfeiture action under this section, a person claiming interest in the property shall file within 30 days after the service or publication, a notice of claim setting out the nature of the interest, the date it was acquired, the consideration paid, and an answer to the state's allegations. If a claim and answer is not filed within the time specified, the property described in the state's allegation must be ordered forfeited to the state without further proceedings or showings.

(c) Questions of fact or law raised by a notice of forfeiture action and answer of a claimant in an action commenced under this section must be determined by the court sitting without a jury. This proceeding may be held in abeyance until conclusion of any pending criminal charges against the claimant under this chapter or AS 11.71.

The most common item bootlegged is R&R whiskey (distilled spirits). The quantity of 14 bottles (750 ml size) equals 10 and one half liters. (16 -750 ml bottles equals 12 liters.) As seen below, the quantity amounts for malt beverages and wine are essentially equivalent for presumptive sale, felony importation and allowable shipping to a sale-restricted location.

The suggested statutory change would make the quantity in AS 04.11.010 consistent if stated "**10 and one half liters or more of distilled spirits**".

Currently, the statutes provide:

AS 04.11.010 presumptive amount for sale is possession **more than 12 liters of distilled spirits, 24 liters or more of wine, or 12 gallons or more of malt beverages.**

AS 04.16.200(e)(2) amount that makes importation into a dry location a felony is **10 and one half liters or more of distilled spirits, 24 liters or more of wine, or 12 gallons or more of malt beverages.**

AS 04.11.140(g) package store license permits shipping monthly to a damp (restriction of sale) location **10 and one half liters of distilled spirits, less than 24 liters of wine, or less than 12 gallons of malt beverages.**

Alcoholic Beverage Control Board  
 5848 East Tudor Road  
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 Douglas B. Griffin  
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**SCHEDULE OF LOCAL OPTION COMMUNITIES**  
 Updated July 29, 2005

City	Ban sale	Community license only	Ban sale and importation	Ban possession	Package store license only	Vote Tally	Election date	Certification date	Effective date
Akiak			1			38-15	07-17-91	08-21-91	09-01-91
Akiachak			1			40-13	08-07-01	08-23-01	09-01-01
Akiachak				1		40-13	08-07-01	08-23-01	10-22-01
Alakanuk			1			94-24	07-20-81	07-27-81	08-01-81
Alakanuk				1		47-7	02-06-90	02-12-90	03-01-90
Allakaket			1			49-30	05-12-89	05-19-89	06-01-89
Allakaket				1		45-34	05-12-89	05-19-89	08-17-89
Ambler			1				12-15-81	12-15-81	01-01-82
Anvik	1					23-6	1/16/2002	1/21/2002	2/1/2002
Anaktuvuk Pass			1			78-11		1982	01-01-83
Anaktuvuk Pass				1		59-45	11-04-86	12-16-86	01-01-87
Angoon				1		92-40	07-26-88	08-01-88	11-01-88
Atmautluak			1			60-12	10-06-81	04-29-82	05-01-82
Atkasuk			1			59-43	04-15-03	04-21-03	05-01-03
Atkasuk				1		59-43	04-15-03	04-21-03	06-30-03
Barrow	1					911-789	10-07-97	10-09-97	11-01-97
Beaver*			1			17-11	06-15-04	07-09-04	08-01-04
Beaver*				1		17-11	06-15-04	07-09-04	08-01-04
Bethel	1					611-207	10-04-77	10-06-77	11-01-77
Birch Creek*				1		13-2	10-06-87	10-22-87	11-01-87
Brevig Mission			1	1		34-32	03-03-99		05-03-99
Buckland			1			52-6	05-10-82	05-11-82	06-01-82
Chalkyitsik*			1			21-2	07-20-82	07-28-82	08-01-82
Chefornak			1			48-29	10-14-82	10-15-82	11-01-82
Chevak			1			88-63	10-02-90	10-02-90	11-01-90
Deering			1			32-24	05-26-82	06-01-82	07-01-82
Diomede			1			27-11	09-10-81	09-29-81	10-01-81
Eek			1			90-15	11-27-82	11-27-82	12-01-82
Elim			1			49-17	08-24-81	08-27-81	09-01-81
Emmonak			1			54-12	10-12-81	10-12-81	11-01-81
Emmonak				1		104-89	10-01-91	10-07-91	07-14-92
False Pass					1	34-6	10/2/2001	10/5/2001	11/1/2001
Fort Yukon		1							
Gulkana			1			17-3	01-14-97	01-28-97	02-01-97
Gulkana				1		17-3	01-14-97	01-28-97	03-30-97
Gambell			1			79-10	08-22-81	08-25-81	09-01-81
Gambell				1		72-13	12-23-86	12-29-86	01-01-87
Golovin			1			31-22	01-16-84	01-17-84	02-01-84

\*Unincorporated

Alcoholic Beverage Control Board

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**SCHEDULE OF LOCAL OPTION COMMUNITIES**

Updated July 29, 2005

City	Ban sale	Community license only	Ban sale and importation	Ban possession	Package store license only	Vote Tally	Election date	Certification date	Effective date
Goodnews Bay			1			36-25	11-08-83	11-08-83	12-01-83
Goodnews Bay				1		37-11	01-14-91	01-18-91	02-01-91
Grayling	1					36-27	11-05-96	11-12-96	12-01-96
Holy Cross	1					42-31	10-03-00	10-06-00	11-01-00
Hooper Bay			1			103-44	03-01-83	03-01-83	04-01-83
Hughes	1					17-4	03-02-93	03-29-93	04-01-93
Huslia	1					37-13	03-14-89	03-23-89	04-01-89
Iliamna*	1					35-24	10-05-82	10-25-82	01-23-83
Kake		1							
Kaktovik				1		56-39	08-01-89	08-07-89	11-05-89
Kasigluk			1			74-3	10-04-83	10-17-83	11-01-83
Kiana			1			81-38	12-08-87	12-17-87	01-01-88
Kipnuk*			1			82-7	10-05-82	10-25-82	11-01-82
Kivalina			1			79-33	01-08-85	01-09-85	02-01-85
Klawock		1				111-70	10-05-93	10-11-93	10-11-93
Kobuk			1			15-12	03-29-89	04-03-89	05-01-89
Kokhanok*	1					31-18	6/28/2005	7/14/2005	8/1/2005
Kongiganak*			1	1		41-10	04-23-96	05-27-84	06-01-96
Kotlik			1			67-15	09-08-81	09-30-81	10-01-81
Kotlik				1		51-22	03-24-87	03-25-87	04-01-87
Kotzebue	1					643-433	12-06-88	12-07-88	01-01-89
Koyuk			1			57-8	08-25-81	08-26-81	09-01-81
Kwethluk			1			82-30	01-01-82	01-24-82	03-01-82
Kwigillingok*			1			63-5	08-09-83	09-01-83	10-01-83
Lower Kalskag			1			46-31	11-05-91	11-07-91	12-01-91
Manokotak			1			79-9	01-29-88	02-01-88	03-01-88
Manokotak				1		80-8	01-29-88	02-01-88	03-01-88
Marshall (Fortuna)			1			42-16	07-25-81	07-26-81	08-01-81
Marshall				1		37-34	10-07-86	10-08-86	11-01-86
Mekoryuk			1			48-10	09-01-81	09-02-81	10-01-81
Mekoryuk				1		42-29	10-07-86	10-08-86	11-01-86
Minto*			1			59-34	07-12-83	07-21-83	08-01-83
Mountain Village			1			72-52	03-13-84	03-19-84	04-01-84
Nanwalek/ English Bay	1					47-29	01-13-98	01-26-98	02-01-98
Napakiak			1			54-14	03-31-82	03-31-82	04-01-82
Napakiak				1		62-14	05-05-87	05-19-87	06-01-87

\*Unincorporated

Alcoholic Beverage Control Board  
 5848 East Tudor Road  
 Anchorage AK 99507  
 Douglas B. Griffin  
 (907) 269-0350 Fax (907) 272-9412

**SCHEDULE OF LOCAL OPTION COMMUNITIES**

Updated July 29, 2005

City	Ban sale	Community license only	Ban sale and importation	Ban possession	Package store license only	Vote Tally	Election date	Certification date	Effective date
Napaskiak			1			55-4	11-01-82	11-08-82	12-01-82
Naukati					1	31-13	03-26-96	04-08-96	05-01-96
Newtok			1			37-9	10-30-84	11-02-84	12-01-84
Nightmute			1			32-3	02-02-96	02-06-96	03-01-96
Nightmute				1		32-4	02-02-96	02-06-96	04-09-96
Nikolai	1		1			28-16	5/20/1997		8/5/1997
Noatak*			1			69-53	12-07-82	12-22-82	01-01-83
Nondalton	1					46-30	11-10-86	12-30-86	01-28-87
Noorvik			1			103-58	04-28-87	04-28-87	05-01-87
Nuiqsut			1			57-39	11-21-83	11-22-83	12-01-83
Nuiqsut				1		60-56	11-04-86	11-12-86	12-01-86
Nunapitchuk			1			106-35	09-15-81	10-02-81	11-01-81
Nunapitchuk				1		75-23	10-07-86	10-13-86	11-01-86
Pilot Station			1			93-76	03-04-03	03-04-03	04-01-03
Platinum			1			12-9	01-14-82	01-25-82	02-01-82
Point Hope			1			62-39	06-29-82	07-02-82	08-01-82
Point Hope				1			10-03-89	10-09-89	11-01-89
Point Lay*			1			30-15	07-01-86	07-11-86	08-01-86
Port Alexander	1					31-16	01-05-82	01-11-82	02-01-82
Port Protection*					1	23-9	03-27-88	04-05-88	05-01-88
Quinhagak			1			77-26	10-30-81	10-31-81	11-01-81
Quinhagak				1		71-27	10-06-87	10-12-87	11-01-87
Red Devil*	1					17-8	02-20-90	04-27-90	07-26-90
Russian Mission			1			46-22	10-06-87	10-27-87	11-01-87
Saint Mary's	1					90-86	08-23-94	09-02-94	10-01-94
Saint Mary's			1			63-48	09-22-81	09-28-81	10-01-81
Saint Michael			1			39-21	08-04-86	08-07-86	09-01-86
Savoonga			1	1		117-56	10-07-97	10-10-97	12-09-97
Scammon Bay			1			57-10	12-07-81	12-08-81	01-01-82
Scammon Bay				1		71-25	10-06-87	10-12-87	11-01-87
Selawik			1			89-69	12-17-86	12-22-86	01-01-87
Shageluk	1					29-25	2/20/2001	3/19/2001	4/1/2001
Shaktoolik			1			34-28	03-13-84	03-15-84	04-01-84
Sheldon Point (Nunam Iqua)			1			26-7	08-26-86	08-27-86	09-01-86
Shishmaref			1			82-47	01-04-83	01-04-83	02-01-83
Shungnak			1			46-44	10-06-87	10-10-87	11-01-87
Stebbins			1			88-19	08-25-87	10-08-87	11-01-87
Stevens Village*			1			31-11	06-05-84	06-15-84	07-01-84

**SCHEDULE OF LOCAL OPTION COMMUNITIES**  
**Updated July 29, 2005**

City	Ban sale	Community license only	Ban sale and importation	Ban possession	Package store license only	Vote Tally	Election date	Certification date	Effective date
Tanacross*				1		32-5	05-17-88	05-31-88	06-01-88
Tanana		1				90-15	01-12-82	01-13-82	02-01-82
Takotna	1					22-8	08-24-99	09-09-99	12-08-99
Tatitlek*			1			28-15	08-23-83	09-13-83	12-09-99
Teller	1					55-41	11-13-97	11-14-97	01-14-98
Tetlin*			1			54-7	12-07-82	12-22-82	01-01-83
Togiak			1			96-23	05-03-82	05-04-82	06-01-82
Togiak				1		80-38	10-07-86	10-31-86	11-01-86
Toksook Bay			1			78-32	11-23-81	11-23-81	12-01-81
Tuluksak			1			61-16	10-05-82	10-05-82	11-01-82
Tuluksak				1		55-12	04-12-94	04-25-94	05-01-94
Tuntutuliak			1			47-20	07-20-82	08-02-82	09-01-82
Tuntutuliak				1		41-22	10-06-87	10-28-87	11-01-87
Tununak			1			90-11	08-12-81	08-13-81	09-01-81
Twin Hills			1			13-5	03-14-00	03-30-00	04-01-00
Twin Hills				1		13-5	03-14-00	03-30-00	05-30-00
Unalakleet	1					121-40	04-14-92	04-16-92	05-01-92
Upper Kalskag			1			38-30	01-20-93	02-22-93	03-01-93
Wainwright			1			61-42	07-08-82	07-14-82	08-01-82
Wales			1			29-21	06-14-81	08-17-81	09-01-81
<b>TOTALS</b>	<b>20</b>	<b>4</b>	<b>77</b>	<b>32</b>	<b>3</b>				

CHANGES THIS UPDATE:

Kokhanok voted to ban sale effective August 1, 2005.  
 This is a change relaxing the previous restrictions against sale & importation.

This schedule is continuously updated as dictated by ongoing elections. If you have any questions, please do not hesitate to call the ABC Board office at 907-269-0350.