



ALASKA LEGISLATURE COMMITTEES 2007-2008 HISTA 12338

Congratulations!



pungently - back to mind. It was as if I were reintroduced to that smell again - the more he tried to explain the bill, the stronger the odor became.

Harris's fellow majority members present weren't wearing bib overalls, but I just knew if I had asked the question, they would have said, "What smell?"

The more I listened to his story about the need for his bill, the more red flags shot up in my mind. There were so many that I could have flagged down one of those hog trains in that Midwestern town.

It reminded me of the tall tales those three hog farmers obviously enjoyed telling my girlfriend and me. At least the farmers would occasionally wink and laugh to let us know they were pulling our leg.

The legislators, on the other hand, wanted the people present to believe that they were addressing solid ethics principles. I suspect that their actual motives on this particular bill are about as pure as the air in a certain hog-farming town.

Here in Juneau, saying one thing but secretly meaning another is second nature, and it causes not even a bat of an eyelash. Maybe it is common in all capital cities: that ability to put a white silk dress and lipstick on a hog and act as if nothing is out of the ordinary.

Perhaps it is in the Harris genes.

HB 6 "An act relating to political contributions"

This is the Harris bill, but it could have easily been straight from the mind of Randy Ruedrich. What started out as just one bad idea has blossomed into five, with the exception of a few subsections. The bill ignores Enron-type problems, but reins in the mom and pop corner store.

Section 1 adds the principal occupation and employer of each contributor to the record keeping, even if it is a dollar donation.

That additional information was required before only for contributions more than \$250. The result probably will cause smaller contributors to not contribute as often. This will hurt smaller parties, nonpartisans and independents. Imagine someone sending you a \$25 check for a campaign donation, and you have to write them back and ask for their occupation and employer.

Section 2 requires groups to report all contributors' names, addresses, principle occupations and employers, no matter how small the individual contribution. Before, if the contribution was \$100 or less, only the amount was reportable. It seems a certain political party wants to mine more information. One can only guess how that would be used. Small donors are the least of the problem in political campaigns.

Section 3 removes the possibility of filing "exempt" for candidates who raise and spend less than \$5,000 dollars on a campaign. They have been exempt for years. The exempt candidates never have been a problem. They rarely win, and there are very few of them in any given campaign.

I'm sure this section has nothing to do with allowing a certain candidate to find out who all those Republicans were that voted against him in a primary. Didn't curiosity kill the cat?

Section 4, adds more restrictions on all non-group entities. It adds the occupation and principle employer requirement to all small contributors to the nongroup entity. Currently, such information is required only of contributors who give more than \$250. There is only one such nongroup in the state: the Alaska Conservation Voters, which offers campaign training to political candidates. I guess too many of the trainees beat their majority party incumbents.

Section 5 reduces the amount a group that is not a political party can give to a candidate. The initiative just approved by voters in November already did this very thing, except the initiative also reduced the amount a political party can give. Not wanting to leave well enough alone, the sponsors have decided to monkey with the recently passed initiative and lower group contributions again, but left their own party contribution numbers as is.

How nice of them.

This hurts nonparty candidates, labor unions and other such groups. The irony here is many of this bill's sponsors were the same ones who grossly

Congratulations!



raised the contribution limits to begin with. If they cut party money to candidates, then this section would seem a little more serious. Of the 13 or more ethics bills on file, HB6 is by far the most hypocritical and least needed bill of the bunch. It is a highly partisan bill, to say the least.

I have only touched on the absurdity of it all. There are still no bills to address real ethics issues, like closed-door meetings, out-of-district lobbyist donations or out-of-state money in local elections and much more. Imagine that!

The good, the bad, and the ugly

Paul Seaton's mixing-zone ban bill passed out of House Fisheries, and it's heading to House Resources.

Les Gara's bill to move the Habitat Division from DNR to Fish and Game is on hold in House Fisheries.

Jay Ramras quote from just outside of the House floor: "Myrl, you better watch what you say about people in this building."

Sundry Things

John Coghill, Max Gruenberg and Bob Roses are doing tough work in the ethics subcommittee. They have their work cut out for them, to say the least. It may not be the most exciting committee to watch, but they are all doing yeoman's work. Whether it will produce good legislation is up to committees down the pike and the end product.

Good questions from those on Huggins' Resources Committee, including Charlie, to the big three oil companies. Committee members don't always ask tough questions or even the right questions, but this committee did. The answers, however, were generally less than satisfying or enlightening.

Friday the 16th, there were no Senate committee meetings and only seven senators showed up for a 10 a.m. floor session, it had to be reduced to a technical session because of lack of members. The House side had no floor session, and not much going on in committee either. Tell me Monday isn't a holiday!

Remember that 90-day session thing.

Yes, BP is going to write off the replacement of those corroded pipes to a tune of \$11 million, but since they only own about a quarter interest, the cost to the state could be more than \$40 million. Always give credit where credit may not be due.

Valley resident Myrl Thompson is a citizen lobbyist and Capitol watchdog who is in Juneau for the legislative session. His Capitol Watch guest opinion column will appear here every two weeks. To contact him or to find out about subscribing to his weekly Juneau Report, e-mail [myrl@trak.net](mailto:myrl@trak.net)

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**Nancy Manly**

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**To:** Tom Wright'

**Subject:** HB 6

I called Louis Colbergs office today but they are closed - President's Day. I'll stay on them to get a written opinion for Bob and will try to get your HB 6 back on the docket next week.

Nancy

2/19/2007

# Alaska State Legislature

**Chairman**  
State Affairs Committee

**Vice-Chairman**  
Economic Development, Trade & Tourism  
Committee

**Member**  
Judiciary Committee  
Joint Armed Services Committee

**Finance Subcommittee**  
Corrections  
Labor and Workforce Development  
Military and Veterans' Affairs  
Public Safety



*A Communication From*  
**REPRESENTATIVE BOB LYNN**  
**District 31 Anchorage**

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**"Bob Lynn's Alaska Blog"** RepBobLynnBlog.com

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February 16, 2007

**FAX**

To: Attorney General Talis Colberg

Fax #: 2075

From: Representative Bob Lynn  
Alaska State Capitol, room 104  
Juneau, AK 99801-1182

# of Pages (including cover): 8

Phone: 907-465-4931  
Fax: 907-465-4316

Re: HB 6 Version K - Constitutionality of changing dollar amount from Initiated Law

Attached is Committee Substitute for House Bill 6 (Work Order No. 25-LS0055\K) and the Sectional Analysis that accompanies it. I've also attached a copy of the Initiative language. The Initiative amended Section 2. AS.15.13.070(c) - a group that is not a political party may contribute not more than \$1,000 per year (down from \$2,000 per year). HB 6 takes the \$1,000.00 down to \$500.00.

As you may recall, we've had a similar discussion on the cruise ship tax initiative, and one of my concerns was amending an initiative before two years.

I am requesting a legal opinion from the Attorney General on the constitutionality of reducing group contributions from \$1000.00 (which the Initiative provides) down to \$500.00. It would be helpful to have your opinion before we continue our consideration of HB 6.

Thank you.

A handwritten signature in black ink, appearing to read "Bob Lynn", with a long horizontal line extending to the right.

25-LS0055K  
Bullard  
2/1/07

CS FOR HOUSE BILL NO. 6( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES HARRIS, RAMRAS, HAWKER, CHENAULT, SAMUELS,  
FAIRCLOUGH, NEUMAN, OLSON, DAHLSTROM, SEATON AND JOHNSON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to political contributions; and providing for an effective date."

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

3 \* Section 1. AS 15.13.040(a) is amended to read:

4 (a) Each [EXCEPT AS PROVIDED IN (g) AND (l) OF THIS SECTION,  
5 EACH] candidate

6 (1) for election to the state legislature, for governor, or for  
7 lieutenant governor shall make a full report, except as provided in (l) of this  
8 section, filed in accordance with AS 15.13.110 and certified correct by the  
9 candidate or campaign treasurer, on [ , UPON] a form prescribed by the  
10 commission, [(1)] listing

11 (A) the date and amount of all expenditures made by the  
12 candidate;

13 (B) the total amount of all contributions, including all funds  
14 contributed by the candidate;

15 (C) the name, address, principal occupation, and employer of

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each contributor and the date [,] and amount of each contribution from  
[CONTRIBUTED BY] each contributor; [AND

(D) FOR CONTRIBUTIONS IN EXCESS OF \$250 IN THE  
AGGREGATE DURING A CALENDAR YEAR, THE PRINCIPAL  
OCCUPATION AND EMPLOYER OF THE CONTRIBUTOR; AND]

(2) not governed by (1) of this subsection shall make a full report,  
except as provided in (g) or (l) of this section, filed in accordance with  
AS 15.13.110 and certified correct by the candidate or campaign treasurer, on a form  
prescribed by the commission listing

(A) the date and amount of all expenditures made by the  
candidate;

(B) the total amount of all contributions, including all funds  
contributed by the candidates;

(C) the name, address, date, and amount contributed by  
each contributor; and

(D) for contributions over \$250 in the aggregate during a  
calendar year, the principal occupation and employer of the contributor.

\* Sec. 2. AS 15.13.040(b) is amended to read:

(b) Each group shall make a full report upon a form prescribed by the  
commission, listing

(1) the name and address of each officer and director;

(2) the aggregate amount of all contributions made to it [; AND, FOR  
ALL CONTRIBUTIONS IN EXCESS OF \$100 IN THE AGGREGATE A YEAR],  
the name, address, principal occupation, and employer of each [THE] contributor, and  
the date and amount of each contribution from [CONTRIBUTED BY] each  
contributor; for purposes of this paragraph, "contributor" means the true source of the  
funds, property, or services being contributed; and

(3) the date and amount of all contributions made by it and all  
expenditures made, incurred, or authorized by it.

\* Sec. 3. AS 15.13.040(g) is amended to read:

(g) The provisions of (a)(2) [(a)] and (l) of this section do not apply to a

1 delegate to a constitutional convention, a judge seeking electoral confirmation, or  
2 a candidate for election to a municipal office under AS 15.13.010, if that delegate,  
3 judge, or [IF A] candidate

4 (1) indicates, on a form prescribed by the commission, an intent not to  
5 raise and not to expend more than \$5,000 in seeking election to office, including both  
6 the primary and general elections;

7 (2) accepts contributions totaling not more than \$5,000 in seeking  
8 election to office, including both the primary and general elections, and

9 (3) makes expenditures totaling not more than \$5,000 in seeking  
10 election to office, including both the primary and general elections.

11 \* Sec. 4. AS 15.13.040(j) is amended to read:

12 (j) Except as provided in (l) of this section, each nongroup entity shall make a  
13 full report in accordance with AS 15.13.110 upon a form prescribed by the  
14 commission and certified by the nongroup entity's treasurer, listing

15 (1) the name and address of each officer and director of the nongroup  
16 entity;

17 (2) the aggregate amount of all contributions made to the nongroup  
18 entity for the purpose of influencing the outcome of an election;

19 (3) for all contributions described in (2) of this subsection, the name,  
20 address, principal occupation and employer of the contributor and the date [,] and  
21 amount contributed by each contributor [AND, FOR ALL CONTRIBUTIONS  
22 DESCRIBED IN (2) OF THIS SUBSECTION IN EXCESS OF \$250 IN THE  
23 AGGREGATE DURING A CALENDAR YEAR, THE PRINCIPAL OCCUPATION  
24 AND EMPLOYER OF THE CONTRIBUTOR]; and

25 (4) the date and amount of all contributions made by the nongroup  
26 entity, and, except as provided for certain independent expenditures in  
27 AS 15.13.135(a), all expenditures made, incurred, or authorized by the nongroup  
28 entity, for the purpose of influencing the outcome of an election; a nongroup entity  
29 shall report contributions made to a different nongroup entity for the purpose of  
30 influencing the outcome of an election and expenditures made on behalf of a different  
31 nongroup entity for the purpose of influencing the outcome of an election [AS SOON

1 AS THE TOTAL CONTRIBUTIONS AND EXPENDITURES TO THAT  
2 NONGROUP ENTITY FOR THE PURPOSE OF INFLUENCING THE OUTCOME  
3 OF AN ELECTION REACH \$500 IN A YEAR AND FOR ALL SUBSEQUENT  
4 CONTRIBUTIONS AND EXPENDITURES TO THAT NONGROUP ENTITY IN A  
5 YEAR WHENEVER THE TOTAL CONTRIBUTIONS AND EXPENDITURES TO  
6 THAT NONGROUP ENTITY FOR THE PURPOSE OF INFLUENCING THE  
7 OUTCOME OF AN ELECTION THAT HAVE NOT BEEN REPORTED UNDER  
8 THIS PARAGRAPH REACH \$500].

9 \* Sec. 5. AS 15.13.070(c) is amended to read:

10 (c) A group that is not a political party may contribute not more than \$500 a  
11 [\$1,000 PER] year

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

14 (2) to another group, to a nongroup entity, or to a political party.

15 \* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

# Alaska State Legislature

*Session: (Jan-May)*  
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**John Harris**  
Speaker of the House

## SECTIONAL ANALYSIS

### CS for HOUSE BILL 6 ( ), Draft LS0055\K

**An Act relating to political contributions; and providing for an effective date.**

**Section 1:** Amends AS 15.13.040(a), Contributions, expenditures and supplying of services to be reported. Adds language that refers to elections for state offices only; candidates file a report in accordance with AS 15.13.110 (Filing of Reports); and, requires candidates to list, in addition to name, address and amount of the contribution, the principal occupation and employer of each contributor. Those not governed under subsection (1), which includes judges up for retention, constitutional convention delegates and municipal candidates, are required to provide certain information and for contributions totaling over \$250 to list the principal occupation and employer of the contributor.

**Section 2:** Amends AS 15.13.040(b), Contributions, expenditures and supplying of services to be reported. Requires groups to report all contributions.

**Section 3:** Amends AS 15.13.040(g), Contributions, expenditures and supplying of services to be reported. Lists those who are not required to file reports unless more than \$5000 is to be received or expended.

**Section 4:** Amends AS 15.13.040(j), Contributions, expenditures and supplying of services to be reported. Adds language requiring all nongroup entities to list the principal occupation and employer of each contributor. Deletes language for contributions in excess of \$250. Deletes language for contributions in excess of \$500 from one nongroup entity to another nongroup entity that are used to influence the outcome of an election. Deletion of this language requires nongroup entities to report all contributions and expenditures.

**Section 5:** Amends AS 15.13.070(c), Limitations on amount of political contributions. Reduces group contributions from \$1,000 to \$500.

**Section 6:** Immediate effective date.



Alaska Division of Elections

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**INITIATIVE PETITION BILL LANGUAGE  
by Petition Sponsors**

**Petition ID: 03DISC**

**AN ACT RELATING TO CONTRIBUTION LIMITS,  
LOBBYISTS, AND DISCLOSURE.**

**Posted 7/13/06**

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**Proposed Bill:**

**AN ACT RELATING TO CONTRIBUTION LIMITS, LOBBYISTS, AND DISCLOSURE**

**Be it enacted by the people of the State of Alaska:**

**Section 1.** AS 15.13.070(b) is amended to read:

(b) an individual may contribute not more than

(1) \$500 per year to a nongroup entity for the purpose of influencing the nomination or election of a candidate, to a candidate, to an individual who conducts a write-in campaign as a candidate, or to a group that is not a political party,

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

**Section 2.** AS 15.13.070(c) is amended to read:

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

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

(2) to another group, to a non-group entity, or to a political party.

**Section 3.** AS 15.13.040(b) is amended to read:

(b) Each group shall make a full report upon a form prescribed by the commission, listing

(1) the name and address of each officer and director;

(2) the aggregate amount of all contributions made to it; and, for all contributions in excess of \$100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor, and the date and amount contributed by each contributor; for purposes of this

paragraph, "contributor" means the true source of the funds, property, or services being contributed; and

(3) the date and amount of all contributions made by it and all expenditures made, incurred or authorized by it.

**Section 4.** AS 24.45.171(8) is amended to read:

(8) "lobbyist" means a person who

(A) is employed and receives payments, or who contracts for economic consideration, including reimbursement for reasonable travel and living expenses, to communicate directly or through the person's agents with any public official for the purpose of influencing legislation or administrative action for more than 10 hours in any 30-day period in one calendar year; or

(B) represents oneself as engaging in the influencing of legislative or administrative action as a business, occupation or profession.

**Section 5.** AS 24.60.200 is amended to read:

**Sec. 24.60.200. Financial disclosure by legislators, public members of the committee, and legislative directors.** A legislator, a public member of the committee, and a legislative director shall file a disclosure statement, under oath and on penalty of perjury, with the Alaska Public Offices Commission giving the following information about the income received by the discloser, the discloser's spouse or domestic partner, the discloser's dependent children, and the discloser's nondependent children who are living with the discloser:

(1) the information that a public official is required to report under AS 39.50.030, other than information about gifts;

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

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

**Section 6. Effective Date.** This Act takes effect January 1, 2005.

End

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← Initiative Petition Status Report

← Alaska Division of Elections Home Page

TRANSACTION REPORT

FEB-16-2007 FRI 04:54 PM

FOR: REPRESENTATIVE BOB LYNN 907 465 4316

SEND (M)

DATE	START	RECEIVER	PAGES	TIME	NOTE	M#
FEB-16	04:51 PM	2075	8	2' 41"	OK	45

2/22/07 conv with tom Wright concerning HB 6

In the init language it says that you don't have report in amounts over \$100. over \$100 you have to give name, principal occ and so forth. Init didn't repeal

Tom was under the impression is that it repealed that statute 15.13.040(b). What it did was just take out the part – it amended it. It wasn't a strick repealer. It just amended the statute that says contribu under \$100 you didn't have to report.

Harris brought an amendment down

You will have to disclose a name an daddress. Over \$250 disclose name and occupation. Reading the initiative you have to report over #100.00 in that case, we are broading the initiative.

Anything over \$100 you have to report all the information so we need to be consistant. Candidates, non groups and groups. Right now we lessen the standard with that amendment.

They don't have to give occupation and employer. If they decide to give over \$100 they will have to disclose anyway.

Don't have to give organizations, etc.

Tom will bringing down the new amendment.

**Nancy Manly**

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**To:** Londi Ensor

**Subject:** STA fiscal notes

**Attachments:** HB006-DOA-APOC-2-1-07.pdf; HB003-DOA-DMV-2-23-07.pdf; HB038-DOA-APOC-1-29-07.pdf; HB038-LAW-CJL-1-31-07.pdf; HB109-DOA-APOC-1-29-07.pdf

Londi: Attached are fiscal notes for bills that have passed out of the House State Affairs Committee.

HB 6 (1 fiscal note)

HB 3 (1 fiscal note)

HB 38 (two fiscal notes)

HB 109 (1 revised note - you have the others)

3/6/2007

# Alaska State Legislature

**Chairman**

State Affairs Committee

**Vice-Chairman**Economic Development, Trade & Tourism  
Committee**Member**Judiciary Committee  
Joint Armed Services Committee**Finance Subcommittees**Corrections  
Labor and Workforce Development  
Military and Veterans' Affairs  
Public Safety*A Communication From***REPRESENTATIVE BOB LYNN**  
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**"Bob Lynn's Alaska Blog"** RepBobLynnBlog.com**Session:**Alaska State Capitol  
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## FAX

To: Legal Services

Fax #: 2029From: Nancy Manly x2794  
Alaska State Capitol, room 104  
Juneau, AK 99801-1182# of Pages (including cover): 1

Phone: 907-465-4931

Fax: 907-465-4316

Re: HB 6 Final CS

Please draft a Final CS for HB 6. The State Affairs Committee passed Version K as amended.

Amendment #1

Adopted Version K.12 with no changes

Thanks!

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\*  
\* TRANSACTION REPORT \*  
\* MAR-06-2007 03:08 AM \*  
\* FOR: REP LYNN 4654316 \*  
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# Alaska State Legislature

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Economic Development, Trade & Tourism  
Committee

**Member**  
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Joint Armed Services Committee

**Finance Subcommittees**  
Corrections  
Labor and Workforce Development  
Military and Veterans' Affairs  
Public Safety



*A Communication From*  
**REPRESENTATIVE BOB LYNN**  
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## FAX

To: Lio-peg

Fax #: 2864  
~~4648~~

From: Representative Bob Lynn  
Alaska State Capitol, room 104  
Juneau, AK 99801-1182

# of Pages (including cover): 7

Phone: 907-465-4931  
Fax: 907-465-4316

Re: HB 6 - STA 3/6

### Comments:

Not sure if you have "K.12" version  
K.12 Amendment (2 pages)

**"Bob Lynn Communicates"**

**HB**

**10**

Comments of  
Randy Wanamaker  
Regarding HB 10 and HB 20  
January 23, 2007

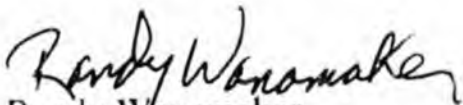
Mr. Chairman and members of the Committee:

Thank you for the opportunity to comment on campaign finance and ethics reform legislation. I think both bills are a good start.

I will be providing detailed comment in writing regarding these matters soon.

For now I will emphasize that clarity of language, clear expressions of intent and well thought out definitions and standards, listed in writing, will help to prevent ambiguity and ensure compliance.

Thank you again for the opportunity to comment on this matter.



Randy Wanamaker

POB 32234

Juneau, AK 99803

907 789 6855

## HOUSE BILL NO. 10

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES LYNN, GARDNER, GATTO, GARA, SEATON, HOLMES, LEDOUX, BUCH,  
WILSON, AND DOOGAN, Gruenberg

Introduced: 1/16/07

Referred: State Affairs, Judiciary

## A BILL

## FOR AN ACT ENTITLED

1 "An Act prohibiting legislators and certain former legislators from accepting or  
2 agreeing to accept compensation for certain work; relating to disclosures under the  
3 Legislative Ethics Act; and providing for an effective date."

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

5 \* Section 1. AS 24.60.020(a) is amended to read:

6 (a) Except as otherwise provided in this subsection, this chapter applies to a  
7 member of the legislature, to a legislative employee, and to public members of the  
8 committee. This chapter does not apply to

9 (1) a former member of the legislature or to a person formerly  
10 employed by the legislative branch of government unless a [THE] provision of this  
11 chapter specifically states that it applies;

12 (2) a person elected to the legislature who at the time of election is not  
13 a member of the legislature.

14 \* Sec. 2. AS 24.60.085 is amended by adding a new subsection to read:

(c) During the term for which elected or appointed and for one year thereafter, a legislator may not, directly or by authorizing another to act on the legislator's behalf, accept or agree to accept compensation, except from the State of Alaska, for work associated with legislative, administrative, or political action.

\* Sec. 3. AS 24.60 is amended by adding a new section to article 2 to read:

**Sec. 24.60.115. Disclosures by a former legislator, legislative employee, or public member of the committee.** When a person who is a legislator, legislative employee, or public member of the committee is required to file a disclosure under this chapter, that person, as a former legislator, legislative employee, or public member of the committee is also required to file a disclosure if the matter subject to disclosure existed while the person was a legislator, legislative employee, or public member of the committee.

\* Sec. 4. AS 24.60.200 is amended to read:

**Sec. 24.60.200. Financial disclosure by legislators, public members of the committee, and legislative directors.** A legislator, a public member of the committee, and a legislative director shall file a disclosure statement, under oath and on penalty of perjury, with the Alaska Public Offices Commission giving the following information about the income received by the discloser, the discloser's spouse or domestic partner, the discloser's dependent children, and the discloser's nondependent children who are living with the discloser:

) the information that a public official is required to report under AS 39.50.030 other than information about gifts;

) as to income in excess of \$1,000 received as compensation for personal services, and as to a dividend received from a limited liability company as compensation for personal services, the name and address of the source of the income, and a statement describing

(A) the nature of the services performed with a description sufficient to make clear to a person of ordinary understanding the specific services performed unless and only to the extent those services are required to be kept confidential under a state or federal law, including the common law;

1 (B) the approximate total number of hours that have been  
2 spent or will be spent performing the services; and

3 (C) the amount of income received from the source, if the [;  
4 IF THE SOURCE OF INCOME IS KNOWN OR REASONABLY SHOULD  
5 BE KNOWN TO HAVE A SUBSTANTIAL INTEREST IN LEGISLATIVE,  
6 ADMINISTRATIVE, OR POLITICAL ACTION AND THE] recipient of the  
7 income is a legislator or legislative director [, THE AMOUNT OF INCOME  
8 RECEIVED FROM THE SOURCE SHALL BE DISCLOSED];

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

14 \* Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to  
15 read:

16 APPLICABILITY. (a) Sections 1 and 3 of this Act apply to all persons who become  
17 former legislators on or after the effective date of this Act and to all former legislators who  
18 were members of the legislature between April 9, 2006, and the effective date of this Act.

19 (b) Former legislators who were members of the legislature between April 9, 2006,  
20 and the effective date of this Act shall make the disclosure required by AS 24.60.115, added  
21 by sec. 3 of this Act, within 30 days after the effective date of this Act.

22 \* Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 RETROACTIVITY. To the extent required by sec. 5 of this Act, secs. 1 and 3 of this  
25 Act are retroactive under AS 01.10.090.

26 \* Sec. 7. This Act takes effect July 1, 2007.

# SPONSOR STATEMENT

## House Bill 10

**“An Act prohibiting legislators and certain former legislators from accepting or agreeing to accept compensation for certain work; relating to disclosures under the Legislative Ethics Act; and providing for an effective date.”**

HB 10 is designed to ensure public trust in Alaska's representative democracy by strengthening ethics laws to reflect the principles of the state's Standards of Conduct for public officials by:

- limiting potential conflicts of interest for legislators by prohibiting them from accepting “outside” payment for work associated with legislative, political or administrative actions;
- requiring greater detail in legislators' financial disclosures by including a description of services performed and approximate number of hours spent for contract work; and
- clarifying existing statutes to match a recent ruling by the Select Committee on Legislative Ethics requiring legislators and legislative employees leaving service to also file a disclosure.

At least 18 states restrict legislators from representing others before state agencies in some cases, according to the Center for Ethics in Government, a non-partisan organization with the National Conference of State Legislatures. The Center also reports that all but three states require legislators to file personal financial disclosures.

“Conflict of interest may be the most common ethical dilemma faced by state legislators,” according to the Center for Ethics in Government. “In fact, ethics commissions and committees have reported the largest number of requests for advice and counseling revolve around conflict of interest issues.”

Clear ethics laws prohibiting compensation for “outside” work and requiring more detailed financial disclosures ensure a greater level of public trust in government, which helps administrators, legislators and “outside” interests who work with them, better serve the needs of the people and state of Alaska.

“A fair and open government requires that legislators and legislative employees conduct the public's business in a manner that preserves the integrity of the legislative process and avoids conflicts of interest or even the appearance of conflicts of interest,” states the Alaska Legislative Ethics Code.

## House Bill 10: Legislative Disclosures/Outside Income

### Sectional Analysis

**Section 1:** Amends the ethics code to allow specific provisions in the code to apply to a former legislator or legislative employee.

**Section 2:** Prohibits a legislator or a designee from accepting outside work for compensation that is associated with legislative, political or administrative action for the duration of their term in office and for one year thereafter. Legislative, political and administrative actions are defined in A.S. 24.60.990. This section does not prohibit a legislator from performing duties in their capacity as a legislator such as advocating for a constituent or serving on the board of a non-profit organization.

**Section 3:** Clarifies the existing legislative ethics disclosure requirements to require legislators leaving office and legislative employees leaving employment to file disclosures. This ensures that the statute accurately reflects the reporting requirements specified in the Select Committee on Legislative Ethics Advisory Opinion 06-03.

**Section 4:** Requires greater detail in the reporting of legislator's outside income and clarifies what constitutes income. First, it ensures that dividends received from a limited liability corporation are properly reported as income. Then, in addition to the amount received, the income disclosures must include a description of the work performed and an approximate number of hours spent performing the services. This will give APOC additional tools in enforcing A.S. 24.60.085. Finally, subsection 2(c) removes ambiguous language from the existing statute.

**Section 5:** Applies the law to those who left legislative office or employment last year.

**Section 6:** Retroactivity clause.

**Section 7:** Effective date is July 1, 2007.



Sec. 24.60.990. Definitions.

(a) In this chapter,

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

(2) "anything of value," "benefit," or "thing of value" includes all matters, whether tangible or intangible, that could reasonably be considered to be a material advantage, of material worth, use, or service to the person to whom it is conferred; the terms are intended to be interpreted broadly and encompass all matters that the recipient might find sufficiently desirable to do something in exchange for; "anything of value," "benefit," or "thing of value" does not include

(A) an item listed in AS 24.60.080 (c);

(B) campaign contributions, pledges, political endorsements, support in a political campaign, or a promise of endorsement or support;

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

(D) grants under AS 37.05.316 to named recipients;

(3) "committee" means the Select Committee on Legislative Ethics and includes, when appropriate, the senate or house subcommittee;

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

(5) "domestic partner" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage.

(6) "immediate family" means

(A) the spouse or domestic partner of the person; or

(B) a parent, child, including a stepchild and an adoptive child, and sibling of a person if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial financial interest with the person;

(7) "income" means assets that are received, regardless of whether they are earned or unearned; inheritances and other gifts are not income;

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

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

(10) "legislative director" means the director of the legislative finance division, the legislative auditor, the director of the legislative research agency, the ombudsman, the victims' advocate, the executive director of the Legislative Affairs Agency, and the directors of the divisions within the Legislative Affairs Agency;

(11) "legislative employee" means a person, other than a legislator, who is compensated by the legislative branch in return for regular or substantial personal services, regardless of the person's pay level or technical status as a full-time or part-time employee, independent contractor, or consultant; it includes public members and staff of the committee; it does not include individuals who perform functions that are incidental to legislative functions, including security, messenger, maintenance, and print shop employees, and other employees designated by the committee;

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

(13) "political action" means conduct in which public officials, including legislators or legislative employees, use their official position or political contacts to exercise influence on state and local government employees or entities; it includes but is not limited to endorsing and pledging support or actively supporting a legislative matter, a nominee, or a candidate for public office;

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

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

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

(b) A person has a substantial interest in legislative, administrative, or political action if the person (1) is not a natural person and will be directly and substantially affected financially by a legislative, administrative, or political action; (2) is a natural person and will be directly and substantially affected financially by a legislative, administrative, or political action in a way that is greater than the effect on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region; (3) has or seeks contracts in excess of \$10,000 annually for goods or services with the legislature or with an agency of the state; or (4) is a lobbyist. For the purpose of this subsection, the state, the federal government, and an agency, corporation, or other entity of or owned by the state or federal government do not have a substantial interest in legislative, administrative, or political action.

Sec. 24.60.995. Short title.

This chapter may be cited as the Legislative Ethics Act.

Chapter 24.65. OFFICE OF VICTIMS' RIGHTS

Sec. 24.65.010. Office of victims' rights.

# Alaska State Legislature

## Select Committee on Legislative Ethics

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Anchorage, AK  
(907) 269-0150  
FAX: 269-0152

Mailing Address:  
P.O. Box 101468  
Anchorage, AK  
99510-1468

December 4, 2006

### ADVISORY OPINION 2006-03

#### **Subject: Conflict of Interest - Disclosures**

RE: Does AS 24.60 require a former legislator to disclose matters relating to potential conflicts of interest that existed during the time the legislator was in office?

You are a legislator and therefore covered by the Legislative Ethics Act. You have requested an advisory opinion concerning facts and circumstances that you have related. You have waived confidentiality. The committee relies on facts that you have described in answering your question.

#### **Statement of Facts**

Legislators are required by AS 24.60, the Legislative Ethics Act, to disclose matters relating to certain actual and potential conflicts of interest, within deadlines fixed by statute.<sup>1</sup> You have asked if disclosures under AS 24.60.105, 24.60.080(d), and 24.60.210, statutes which have a reporting date of March 15, 2007, must be filed by all legislators who held office in 2006 or only those legislators who are in office on March 15, 2007? Past practice has exempted former legislators, former legislative employees and former public members of the Select Committee on Legislative Ethics from filing requirements concerning the final reporting period of their tenure in office.

#### **Discussion**

Although nothing in the statutes cited in your request specifically exempts former legislators, former legislative employees, and former members of the select committee on legislative ethics from filing requirements, it has become the practice to exempt them from final reports due on March 15. AS 24.60.020(a) and (a)(1) (emphasis added) say:

(a) *Except as otherwise provided in this subsection*, this chapter applies to a member of the legislature, to a legislative employee, and to public members of the committee. *This chapter does not apply to*

(1) *a former member of the legislature or to a person formerly employed by the legislative branch of government unless the provision specifically states that it applies;*

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<sup>1</sup> Among statutes with disclosure deadlines are: AS 24.60.030, 24.60.040, 24.60.050, 24.60.070, 24.60.080, 24.60.105, 24.60.200, and 24.60.210.

This can be read to suggest that legislators and legislative employees are exempt from disclosure requirements the moment they become "former." However, the duty to disclose arises the moment the matter to be disclosed occurs, not on the final date a statute requires a report on the matter to be filed. The status of "former" is irrelevant in that respect. If a disclosable matter arises before a legislator, legislative employee, or public member of the Select Committee on Legislative Ethics becomes "former," then it must be disclosed; if it arises after, then it need not be disclosed. Leaving office does not amount to an amnesty from ethics disclosure requirements -- if it did then there would be a period in every legislator's career where the legislator could disregard much of the code of legislative ethics, safe in the knowledge that, once the legislator makes it past the last day of office, he or she will be safe from ethics-based scrutiny. It could also lead to the resignation of legislators who, suddenly accused of not making a disclosure, could resign rather than disclose a conflict that may have long existed.

Additional support for a reading of AS 24.60.02(a) that does not exempt former legislators and former legislative employees from filing final reports by March 15 is found in AS 24.60.010 (emphasis added), which says:

The legislature finds that

(1) high moral and ethical standards among public servants in the legislative branch of government are essential to assure the trust, respect, and confidence of the people of this state;

(2) a fair and open government requires that legislators and legislative employees conduct the public's business in a manner that *preserves the integrity of the legislative process and avoids conflicts of interest or even appearances of conflicts of interest*;

(3) the public's commitment to a part-time citizen legislature requires legislators be drawn from all parts of society and the best way to attract competent people is to acknowledge that they provide their time and energy to the state, often at substantial personal and financial sacrifice;

(4) a part-time citizen legislature implies that legislators are expected and permitted to earn outside income and that the rules governing legislators' conduct *during and after leaving public service must be clear, fair, and as complete as possible, the rules, however, should not impose unreasonable or unnecessary burdens* that will discourage citizens from entering or staying in government service;

(5) in order for the *rules governing conduct to be respected both during and after leaving public service*, the code must be administered fairly without bias or favoritism;

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

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

(8) the purpose of this chapter is to establish standards of conduct for state legislators and legislative employees and to establish the Select Committee on Legislative Ethics to consider alleged violations of this chapter and to render advisory opinions to persons affected by this chapter.

AS 24.60.010(2) notes the importance of avoiding even the *appearance* of a conflict of interest. Although AS 24.60.010 discourages imposing unreasonable or unnecessary burdens that will discourage legislators from seeking or staying in office, AS 24.60.010(4) and 24.60.010(5) suggest that compliance with disclosure requirements after leaving office is part of being a legislator.

### Conclusion

The committee finds that an appearance of a conflict of interest is too easily created when disclosure is not required in the circumstances you have described, and actual conflicts become too easy to conceal. All of the reporting requirements in the Legislative Ethics Act apply for each day a legislator is in office, and although there are deadlines for filing reports, a legislator may file a report as soon as a disclosable matter arises, before the reporting deadline. Therefore, and for the reasons stated above, the committee finds that, as to any disclosable matter that arises during the time a legislator is in office, the former legislator is still required to disclose under AS 24.60 as if the legislator were still in office; but, as to any matter that arises after a legislator leaves office, the former legislator is not required by AS 24.60 to make a disclosure.

Because of prior practice contrary to this opinion, this opinion shall be applied prospectively -- to legislators, legislative employees, and public members of this committee. In this instance, a legislator leaving office on the third Tuesday of January, 2007, which is January 16, is subject to the March 15, 2007, disclosure deadline for any previously unreported matter or interest that began or was in existence between April 10, 2006 (which is the 30th day before the regular session ended in 2006) and December 31, 2006. The same legislator is subject to the March 15, 2008 disclosure deadline for any matter or interest that began or was in existence between January 1, 2007 and January 16, 2007; however, the report can be filed at any time between January 16, 2007 and March 15, 2008, and may be filed separately from, or as an addendum to, the report due March 15, 2007.<sup>2</sup>

---

<sup>2</sup> AS 24.60.105(a):

(a) When a legislator or legislative employee is required to file a disclosure under this chapter and a date by which the disclosure must be filed is not otherwise set by statute, the deadlines set out in this section

Adopted by the Select Committee on Legislative Ethics on December 4, 2006.

Members present and concurring in this opinion were:

H. Conner Thomas, Chair  
Representative Bruce Weyhrauch  
Senator Hollis French  
Senator Ralph Seekins  
Herman G. Walker, public member  
Ann Rabinowitz, public member  
Dennis (Skip) Cook, public member  
Gary J. Turner, public member

Members dissenting from this opinion were: None.

Members absent were: Representative Les Gara

DCW:ljw:med  
06-329.ljw

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shall apply. *For disclosure of a matter or an interest that began or was acquired during the interim between regular legislative sessions, whether or not the regular session is extended or there is a special session, or during the last 30 days of a regular session, the legislator or legislative employee shall disclose the matter by March 15.* For disclosure of a matter or an interest that began or was acquired during a regular legislative session, but not during the last 30 days of the regular session, the disclosure must be made within 30 days after the commencement of the interest or representation. (Emphasis added)



Sec. 24.60.085. Restrictions on earned income and honoraria.

(a) A legislator or legislative employee may not

(1) seek or accept compensation for personal services that is significantly greater than the value of the services rendered taking into account the higher rates generally charged by specialists in a profession; or

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

(b) Notwithstanding (a) of this section, a legislator or legislative employee may accept a payment for an appearance or speech if the appearance or speech is not connected with the person's legislative status.

Sec. 24.60.090. Nepotism.

(a) An individual who is related to a member of the legislature may not be employed for compensation (1) during the legislative session in the house in which the legislator is a member, (2) by an agency of the legislature established under AS 24.20, (3) in either house during the interim between sessions, or (4), whether for compensation or not, by the committee. An individual who is related to a legislative employee may not be employed in a position over which the employee has supervisory authority. In this subsection, "an individual who is related to" means a member of the legislator's or legislative employee's immediate family or a person who is a legislator's or legislative employee's domestic partner living together in a conjugal relationship not a legal marriage with the legislator or legislative employee, and "interim between sessions" means the period beginning on the eighth day after the legislature adjourns from a regular session, and ending eight days before the date that the legislature shall convene under AS 24.05.090 .

(b) *[Repealed, Sec. 42 ch 127 SLA 1992].*

(c) *[Repealed, Sec. 42 ch 127 SLA 1992].*

Sec. 24.60.100. Representation.

A legislator or legislative employee who represents another person for compensation before an agency, board, or commission of the state shall disclose the name of the person represented, the subject matter of the representation, and the body before which the representation is to take place to the committee. The disclosure shall be made by the deadlines set out in AS 24.60.105 . The committee shall maintain a public record of a disclosure under this section and forward the disclosure to the respective house for inclusion in the journal. A legislator or legislative employee may not represent another person for compensation before an agency, committee, or other entity of the legislative branch.

Sec. 24.60.105. Deadlines for filing disclosures.

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 10  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
 Title: "An Act prohibiting legislators and certain RDU: Legislative Council  
former legislators from accepting or agreeing to accept..." Component: Select Committee on Legis. Ethics  
 Sponsor: Lynn, Gardner, Gallo, Gara, Seaton, Holmes..."  
 Requester: House State Affairs Committee Component No.: 2321

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<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>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</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>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY2007) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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

This legislation has zero fiscal impact on the Alaska Legislature - Select Committee on Legislative Ethics.

Prepared by: Karla Schofield, Deputy Director Phone: 465-6626  
 Division: Legislative Affairs Agency Date/Time: 1/19/07 9:01 AM  
 Approved by: Pamela Varni, Executive Director Date: 1/19/2007  
 Agency: Legislative Affairs Agency

# **Relevant Research For House Bill 10**

Legislative Disclosures/Outside Income

## Proposed ethics legislation

Bill #	Sponsor(s)	Description
HB 5	Neuman	Requires all candidates to report contributions and expenses to APOC, removing exception for candidates raising or spending less than \$5,000.
HB 6	Harris, Ramras, Hawker, Chenault, Samuels, Fairclough, Neuman, Olson, Dahlstrom, Seaton, Johnson	Reduces campaign contribution limit from non-political parties from \$1,000 to \$500.
HB 10	Lynn, Gardner, Gatto, Gara, Seaton, Holmes, LeDoux, Buch, Wison, Doogan, Gruenberg	Bars legislators from performing legislative, administrative or political action work for a year after leaving office, except with the State; requires reporting LLC dividends and specifying nature of services performed, number of hours worked and compensation received. Reporting requirements retroactive to April 9, 2006.
HB 20	Harris, Meyer, Hawker, Chenault, Samuels, Fairclough, Neuman, Wilson, LeDoux, Thomas, Ramras, Johnson	Adds disclosure of occupation and employer for all contributors; requires full disclosure from all "non-group" entities; deletes reporting exemption for candidates raising or spending less than \$5,000; bars legislators' spouses/domestic partners from lobbying; bars legislator or spouse/partner from providing consulting services.
HB 27	Gardner, Buch	Adds LLC dividends to APOC disclosure; requires reporting number of hours worked, nature of work and income received.
HB 38	Gara, Crawford, Gardner, Doll, Kawasaki, Buch, Doogan, Gruenberg	Makes it a Class B felony for legislators and candidates to make explicit agreements in exchange for campaign contributions or for contributors to obtain agreement from a legislator to alter his position on a legislative matter in exchange for money.
HB 58	Gara, Gardner, Kawasaki, Doogan, Gruenberg, Buch	Amends Executive Ethics Act to bar official action on a matter in which a public official has a financial interest (defined as \$5,000 or 1 percent ownership), or serves as an employee, contractor or board member; tightens definition of official action.
SB 19	French, Elton, McGuire, Wielechowski, Thomas, Huggins, Ellis	Companion to HB 58
SB 13	Stevens	Bars legislators from consulting or accepting consulting fees from the private sector.

**Center for Ethics in Government****Ethics Issues Overview**

August 2006

NCSL's Ethics Center has compiled state-by-state data on legislative ethics laws in seven major categories: gifts, honorariums, nepotism, revolving door, conflict of interest, financial disclosure and lobbyists. Laws in different states reflect the different values of the people in various areas. Ethics laws, which are enforced in each state by ethics committees and ethics commissions, help reinforce public faith in government, which is important as polls have shown that citizens' trust in government is below where it has been in the past. See the Ethics Center program summary for information on the Center's staff and mission.

**Gift giving** and receiving is prohibited in all states if it influences official action. From that point on, states differ in the details. Gift restriction statutes generally can be grouped into three categories: zero tolerance laws, bright line test laws, and disclosure instead of restriction. Almost half of the states specify a monetary limit on gifts to legislators.

**Honorariums** are payments for speeches, articles or appearances. Twenty-three states prohibit them if they are offered in connection with a legislator's official duties, as is outlined in this 50-state table. Most states that prohibit honorariums allow reimbursement for travel, lodging and necessary expenses. Twenty-seven states allow honorariums or don't specifically address them in statute.

**Nepotism** is hiring a relative. Nineteen states restrict nepotism to varying degrees, as is outlined in a 50-state table. All 50 states maintain laws that either prohibit or suggest guidelines for conflict-of-interest situations, which may restrict nepotism depending on interpretation of the law.

**Revolving Door** laws ban legislators from lobbying government after they leave office. Twenty-six states mandate a period of time that must elapse before a former legislator can represent clients before the legislature. These "cooling off period" laws are intended to keep former legislators from using their government connections to benefit themselves or their business interests after they leave office. Find out more at this 50-state table.

**Conflict of interest** may be the most common ethical dilemma faced by state legislators. In fact, ethics commissions and committees have reported that the largest number of requests for advice and counseling revolve around conflict of interest issues. Information is available on several types of conflict of interest laws and rules: representing others before government, contracting with government and voting procedures in the face of conflicts of interest.

**Personal financial disclosure** laws require public servants to open their books, to a certain extent, for mass inspection. Many elected and appointed office-holders at the local, state and federal level must abide by versions of these provisions, which are different from campaign finance disclosures. View 50-state charts on requirements involving income, client identification, creditors and debtors, gifts and honorariums, state connections, lobbyist connections and household members.

**Lobbyists** at the statehouse -- whether paid or unpaid -- have the job of influencing legislators to support a particular cause or point of view. Legislatures in all 50 states have passed laws regulating lobbyists to ensure that there is a distance between the lobbyists' legitimate role and the interests of the public at large. States' codes of ethics for lobbyists specify registration fees, activity report requirements and other regulations and prohibitions.

**Ethics Commissions and Ethics Committees** are the state agencies that oversee that these laws are followed. Detailed contact information is provided for these agencies in each state. All states have an ethics committee, which provides internal oversight. In addition, 39 states have ethics commissions, which watch over not only legislators, but also state staff. The Center compares the two at [Ethics Committees & Commissions: What's the Difference?](#)

Direct links to state ethics statutes and information on the Center's ethics training seminars is also available at the Center's site.

**The Center for Ethics in Government's** mission is to address the most fundamental and far-reaching problem facing government in America: the loss of public trust in representative democracy. The Center is a nonpartisan, nonprofit organization located at NCSL and funded through the NCSL Foundation for State Legislatures. Peggy Kerns is the Center's director. Susan Huntley is the policy associate. Read the staff bios.

## Conflict of Interest

Conflict of interest may be the most common ethical dilemma faced by state legislators. In fact, ethics commissions and committees have reported that the largest number of requests for advice and counseling revolve around conflict of interest issues.

Conflicts of interest are not, within themselves, wrong or unusual. Actually, they are inherent in our states' citizen legislatures. Stuart Gilman, president of the Ethics Resource Center, says, "Although it might seem obvious, one has to have at least two interests to have a conflict of interest. The ability to identify conflicts of interest does not necessarily ensure that one can deal with them effectively."

Although conflicts of interest can occur in any setting or profession, they may be more common in the public sector. In the public sector, conflicts of interest typically arise when a legislator or staff member has the potential to receive a personal benefit based on his or her public position. Often, the personal benefit is a financial one.

States are aware that conflict of interest issues must be addressed, and must have done so in statute either directly or indirectly. Many states define conflicts of interest. Laws also exist to help legislators determine what to do when faced with one.

The Ethics Center is in the process of researching conflict of interest issues. Currently, research is available on the topics listed in the right column.

[Center for Ethics in Government](#)

## Representing Others Before Government

May, 2004

Many states restrict legislators from representing others before state government in certain cases. Most restrictions only apply when compensation is involved. Restrictions include bans on: appearing on behalf of a client before specified state agencies; representing others before the legislature, and exercising improper influence in representing another before the state. Some states require disclosure of these activities in addition to, or instead of, restricting them. Below is a summary of state policies.

**General Restrictions:** At least 18 states restrict legislators from representing others before state agencies in some cases. In Illinois, New Jersey and Washington, the restrictions pertain to both volunteer representations and those for which a fee is given. The remaining 15 states only restrict representation for compensation. These states are: Arkansas, Connecticut, Florida, Hawaii, Kansas, Kentucky, Maine, Maryland, Massachusetts, New Mexico, South Carolina, Texas, Wisconsin, Hawaii and Missouri. Kansas only restricts legislators from receiving contingent compensation for this practice.

No state has a blanket ban. Several states forbid legislators from representing a person before some, but not all, agencies. Ministerial matters, those involving constituents, judicial proceedings, and workers' compensation cases are often exempt. "Ministerial" matters typically do not involve the discretion of the state agency, and could include filing corporation charters, reports, tax returns or applications to participate in programs.

Four states that restrict representing others for compensation before state agencies exempt lawyers and other professionals whose livelihood depends on the practice. These states are Maine, Maryland, New Mexico and Texas. Maine and New Mexico forbid legislators who must appear before a state agency for their career from mentioning that they are legislators. New Mexico further bans the use of the threat or promise of official action to influence a state agency decision.

**Representing Before Employing Agency or Body:** Seven states forbid public officials or state employees from representing another before the agency or body for which he is employed, and two more states specifically prohibit legislators from lobbying the legislature for compensation during their term. These amount to similar provisions as far as legislators are concerned. Arizona, Louisiana, Mississippi, Nevada, Ohio, Oklahoma and Rhode Island are the seven. The additional two states are Arkansas and Hawaii.

**Improper Influence:** Illinois and Kansas have provisions in place to prevent legislators or their associates from accepting a representation case if there is reason to believe it is being offered to him or her in order to improperly influence the state agency's decision. Compensation doesn't matter in these provisions, although in Kansas, the legislator also has to believe the case is "obviously without merit." Illinois goes further to suggest that associates of legislators follow the same rule. "No person with whom a legislator maintains a close economic association should accept a representation case where there is substantial reason for him to believe that it is being offered with intent to obtain improper influence over a state agency," the statute says.

**Disclosure:** Sixteen states require disclosure of information about cases in which a legislator - or, in one case, a legislator's business partner - represented another before a state agency. These states are Alabama, Alaska, Indiana, Hawaii, Kansas, Kentucky, Maine, Maryland, Minnesota, Mississippi, Nevada, New Mexico, Oklahoma, South Carolina, Texas and Virginia. In Kentucky, legislators are banned from this practice in most cases, but if their business partners appear before a state agency on behalf of another person, the legislator must disclose related information. Generally, these states require disclosure of the name of the person represented, the agency before which the legislator or his business associate appeared and the subject matter of the case.

Eight states that restrict representing others before government also require disclosure. These states are: Hawaii, Kansas, Kentucky, Maine, Maryland, New Mexico, South Carolina and Texas.

**Appearing as an Expert Witness:** At least two states ban legislators from appearing as expert witnesses before a state agency. Kentucky bans this outright. Rhode Island forbids public officials and state employees from appearing as a witness before their employing agency if the official or employee would be hurt or helped by the outcome of the decision. Rhode Island only allows business associates of the official or employer to appear as a witness if he discloses his connection to the official or employee and if the official or employee agrees to recuse himself from voting on the matter.

**Guidance:** Kentucky and Illinois statutes include guidelines for legislators. In Kentucky, the law says legislators shall consider:

- Whether the matter is being brought to him in attempt to obtain improper influence over the state agency;
- Whether there is a reasonable possibility that the action of the state agency will be unduly influenced because of his participation, and
- The effect of his participation on public confidence in the integrity of the Legislature.

In Illinois, for example, no legislator should accept a representation case unless he believes there is merit to the position he is asked to represent. And a legislator shall, wherever feasible, arrange for other persons to make appearances before the state agency.

For more information, contact the Center for Ethics in Government at (303) 364-7700.

## Personal Financial Disclosure for Legislators

Personal financial disclosure laws require public servants to open their books, to a certain extent, for mass inspection. Many elected and appointed office-holders at the local, state and federal level must abide by versions of these provisions, which are different from campaign finance disclosure laws.

The Center for Ethics in Government has compiled several 50-state-charts on requirements. The charts are listed in the right column.

All but three states - Idaho, Michigan and Vermont - require state legislators to file personal financial disclosures, also called statements of economic interest. Forty-five states require that updates be filed annually. In North Carolina and North Dakota, updates must be filed every election year.

Most states require lawmakers to state their occupation, the sources of their income, the names of corporations in which they hold a position such as director or officer, the addresses of their property, the names of creditors and debtors and names of businesses in which they hold a financial interest. More than 2/3 of states mandate the release of information about each member's spouse and dependent children.

Thirty-one states require disclosure of any connections filers or their family members have with the state or state subdivision agencies. And 18 states require disclosure of associations with lobbyists.

Amounts for incomes or expenditures are unnecessary in all but 17 states. In these 17 states, filers must disclose an amount or a value range in some cases.

In most states, legislators don't have to name their clients because such information is considered privileged and revealing it could constitute a breach of a professional ethics code. Fifteen states require client names in certain cases, but most of these allow for exceptions.

Many states require lawmakers to disclose the sources and value of any gifts or honorariums they receive. Other states ban gifts or honorariums or restrict the acceptance of them.

Center for Ethics in Government

**News Articles/Opinions  
For House Bill 10**

Legislative Disclosures/Outside Income



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## Audit reveals less than full disclosure

### APOC director says more than 70% of legislators' reports are incomplete

The key to Alaska's government ethics law is disclosure, but the most recent financial reports filed by state legislators are replete with incomplete, unresponsive, and in some cases, allegedly untruthful answers.

A review by the Empire of numerous legislators' reports showed that most failed either to complete parts of the required paperwork or made obvious errors or omissions in their filings with the Alaska Public Offices Commission.

The commission's executive director said her staff had found much the same situation.

"More than 70 percent need additional information," said Brooke Miles, APOC executive director. Some of the omissions are relatively minor and can be cleared up with a phone call, she said.

For example, legislators must list real estate they own, or they must check a box saying they don't own any property.

"We want you to do one or the other," Miles said.

Frequently those little boxes don't get checked, leaving APOC's staff unsure whether the legislator failed to list property or simply failed to check the box.

There are similar check boxes for stock holdings, natural resource leases and other assets.

Many omissions appear to be simple oversights. Rep. Tom Anderson, R-Anchorage, failed to list his job as a legislator under "Sources of Income" one year.

More controversial has been listing income sources. The disclosure form asks for identification of the company paying a lawmaker and an explanation of the "nature of services provided."

Instructions call for the official to "provide enough detail when describing the nature of services to tell a reader what work was performed for the salary received."

Sen. Ben Stevens reported that oil field services company VECO Corp. paid him \$57,000 last year for unspecified "business services."

To Miles and others that's not good enough. Nevertheless, Miles said there is no current law that would force Stevens to disclose more.

State Rep. Berta Gardner, D-Anchorage, wants to change that. She and Rep. Bob Lynn, R-Anchorage, are planning to introduce bipartisan legislation to make sure voters get more information.

"You have to describe the work you are doing," she said.

One new regulation would require legislators doing outside consulting to identify how many hours they are working for each client.

The new rules wouldn't bar consulting, but would give voters more information about what candidates and legislators have been doing to earn the money.

"I think it's going to be great," Miles said of the proposed legislation. "People can cast a more informed vote."

Legislators are paid about \$24,000 a year, and thus most depend on outside income. Gardner said her goal was to expose the outside income to public scrutiny.

"We are trying to let people who do honest consulting work keep doing it," she said.

New Gov. Sarah Palin campaigned on ethical government, and one of her first proposals was to provide APOC with an investigator to look into issues such as inadequate disclosure reports.

"We've had an investigator before and it really makes a big difference," said Miles, who welcomed the governor's proposal.

Some of the omissions are more serious than accidental blanks or fudged descriptions. Federal prosecutors have accused one legislator of simply lying on his disclosure reports.

Rep. Tom Anderson listed income from a company called Pacific Publishing on his disclosure reports and identified the nature of services provided as "web newsletter and news design."

Federal prosecutors who have indicted Anderson on bribery and other charges say there was no newsletter, and Pacific Publishing was simply a cover for bribes.

Gardner said her bill already has eight co-sponsors, split evenly between Democrats and Republicans, and its prospects for passage look good this session.

A similar effort last year made it through the House's State Affairs Committee but died in the Judiciary Committee.

"I think the climate is much more conducive this year," said Gardner.

The year saw several national ethical scandals and FBI raids on some state Capitol offices.

The chairman of the Judiciary Committee last year was Rep. Lesil McGuire, R-Anchorage. She is married to Anderson. In November, McGuire was elected to Stevens' seat in the Senate after Stevens chose not to run for re-election.

Click here to return to story:

[http://www.juneauempire.com/stories/122906/sta\\_20061229014.shtml](http://www.juneauempire.com/stories/122906/sta_20061229014.shtml)

## Time to act; no excuses

Legislature should quickly deliver ethics reform that voters demand

(Published: January 7, 2007)

Alaska voters made it very clear on Election Day: They want tighter ethics rules for public servants. Politicians who stand in the way are jeopardizing their political future.



(Peter Dunlap-Shohl)

Voters do not want to hear whining about how complicated and difficult it is to write ethics rules. They do not want to hear complaints that tighter rules might scare off candidates from running for office or serving in government. Voters do not want any more excuses; they want action, and they want it soon.

The eight House lawmakers who pre-filed a bipartisan ethics reform bill have the right idea: Let's get to work early and get it done. Republican Bob Lynn and Democrat Berta Gardner, both of Anchorage, are leading that charge.

Senate President Lyda Green, however, does not seem to share their enthusiasm. It's not so easy, she says. Let's not be hasty.

This is an issue where her Democratic coalition partners may have to push the Republican Senate president to do the right thing.

Ethics reform does not have to be a complicated ordeal that slogs on and on, down to the last hours of the last night of the session. Since the Palin administration is starting over on gas line legislation and a possible pipeline contract, lawmakers will have plenty of free time early on this year to focus on ethics.

Remember Attorney General Gregg Renkes, with his \$100,000-plus investment that wasn't "significant" enough to be a conflict of interest? That's easy to fix. Genuine reform bills that died last year would have set a much tighter, more appropriate definition of a conflict. And those measures didn't have any hanky panky attached, either. No allowing the lawmaker to peek at what are supposedly "blind" investments controlled by others. No threats of big fines if anybody blabs about an ethics case while it's pending.

Other easy changes:

Make lawmakers and public officials file a financial disclosure covering their last year in office, with more than just a slap on the wrist if they don't.

Don't let sitting legislators represent clients before state or local government agencies.

Tighten up the one-year cooling-off period before legislators and public officials can go into business lobbying government decision-makers.

Lawmakers and other officials should also have to report the hours and document the work they do under consulting contracts.

Alaska legislators don't have to write a 1,000-page manual for every conceivable ethical situation. All they need to do is deliver what voters expect: Stronger, straightforward ethics rules that deal with past abuses and will rebuild public trust.

**BOTTOM LINE:** Voters want ethics reform, not excuses.

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## Alaskans need to push lawmakers

By STEVE CLEARY

*(Published: December 27, 2006)*

Given the well-publicized FBI probe and ongoing investigations, it is encouraging to see so many politicians supporting immediate ethics reform. There is no way to undo the wrongs of the past or to immediately regain the public's trust, but a new governor and a new Legislature can lay the groundwork for a political system that will not be beholden to, or outright purchased by, wealthy interests.

Since 1974, the Alaska Public Interest Research Group has worked not only to protect consumers, but also to make government more responsive at all levels. We believe that the Alaska Legislature needs to take quick, concrete steps to get its house in order. And all us watchdogs need to get our eyes checked and make sure that happens.

One such watchdog is the Alaska Public Offices Commission. Since Gov. Frank Murkowski tried to shuffle it away in 2003, the APOC has been underfunded and understaffed. That needs to change. In order to enforce current and future laws governing our elected officials, the APOC needs the resources to accomplish its mission. The APOC also needs the power to set more substantial fines to deter illegal behavior.

Legislators need to fully disclose their income earned outside of the Legislature. A good start for this disclosure was introduced by Rep. Berta Gardner last legislative session, but the bill didn't pass.

The bill would require that legislators in nonlicensed professions make clear the specific services they performed and disclose the approximate number of hours they worked. No longer could they simply put "consultant" and just list the hundreds of thousands of dollars they are making. Alaskans deserve to know what their lawmakers are doing to receive compensation, especially when it comes from those same interests lobbying them in Juneau.

Currently, legislators are precluded from lobbying the Legislature, but they are allowed to lobby state agencies and local governments. Even without direct payoffs or bribes, it's outrageous to allow legislators to receive large amounts of money from lobbying interests to influence local assemblies.

Alaska lawmakers leaving office should not be able to avoid their final financial disclosure. The Select Committee on Legislative Ethics recently issued an opinion which states that legislators and staff members must file any required disclosures, meaning that a dozen legislators who either lost or didn't run this year still must complete their disclosures. It's only fair. They should not be able to use the fact that they are leaving office to hide conflicts of interest that they had while in office.

The ethics committee, however, can only levy fines up to \$100. And APOC fines are typically as paltry, and often are not imposed for a year or more after the offense.

One timely decision the APOC did make this year involved a group attempting to influence a general election ballot measure. The APOC ruled that Alaska's Future could keep its membership, income and expenditures secret. The law needs to be clarified to require this disclosure. Alaska voters need to know who is trying to influence their opinion and their vote.

Another group -- Alaska First -- received \$400,000 from BP, \$400,000 from Exxon Mobil and \$250,000 from Conoco Phillips to oppose the gas tax initiative. The cruise ship industry spent nearly \$2 million to defeat a primary ballot initiative. This corporate cash is trumping the political system that belongs to all Alaskans. There should be a limit on what corporations can contribute to support or oppose ballot measures so that Alaskans can fairly decide what is best for our state.

These changes won't make our system perfect, but we need to keep taking steps toward a more open, representative and responsive government. Alaskans want action from their lawmakers -- on consumer issues like identity theft protections and renewable energy; on affordable health care; on a strong, vibrant education system; and of course on a gas line. The undue influence of money coupled with unethical behavior threatens to derail Alaska's state government. Alaska citizens need to step forward and keep our government on track.

Steve Cleary is executive director of the Alaska Public Interest Research Group in Anchorage.

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# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB010-DOA-APOC-1-16-07  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title An Act prohibiting legislators and certain former RDU AK Public Offices Commission  
legislators from agreeing to accept... Component AK Public Offices Commission  
 Sponsor Rep. Lynn, Gatto, Gara, Seaton et al.  
 Requester House State Affairs Committee Component No. 70

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<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>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
<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 (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill makes clear that dividends from a Limited Liability Company must be reported as income, provides that a person who provides services for a fee must fully describe those services, and requires that legislative financial disclosure filers include the amounts they receive (over \$1000) without the caveat of "a substantial interest in legislative, administrative, or political action..."

This bill should have no fiscal impact on the agency.

Prepared by: Brooke Miles, Executive Director  
 Division: AK Public Offices Commission  
 Approved by: Annette Kreitzer, Commissioner  
 Agency: Department of Administration

Phone 465-2200  
 Date/Time 1/16/2007 3:00 p.m.  
 Date 1/17/2007

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 10  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
Title "An Act prohibiting legislators and certain RDU Legislative Council  
former legislators from accepting or agreeing to accept..." Component Select Committee on Legis. Ethics  
Sponsor Lynn, Gardner, Gatto, Gara, Seaton, Holmes..."  
Requester House State Affairs Committee Compone o. 2321

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<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>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( )</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>
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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

This legislation has zero fiscal impact on the Alaska Legislature - Select Committee on Legislative Ethics.

Prepared by: Karla Schofield, Deputy Director  
Division: Legislative Affairs Agency  
Approved by: Pamela Varni, Executive Director  
Agency: Legislative Affairs Agency

Phone 465-6626  
Date/Time 1/19/07 9:01 AM  
Date 1/19/2007

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB010-LAW-LSA-1-16-0  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
 Title An Act relating to Legislative ethics and outside RDU Civil Division  
income. Component Opinions, Appeals & Ethics  
 Sponsor Representative Lynn  
 Requester \_\_\_\_\_ Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 This bill amends the Legislative Ethics Act, which the Department of Law does not enforce, and therefore there should not be any fiscal impact on Law.

Prepared by: Robert Meiners, Acting Director Phone 465-5427  
 Division Administrative Services Division Date/Time 1/16/07 9:54 AM  
 Approved by: Robert Meiners for Talis Colberg, Attorney General Date 1/16/2007  
 Agency Department of Law

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Anchorage Daily News

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**All must disclose finances****STATE LAW: Outgoing lawmakers should not be exempt, a ruling says.**

By LISA DEMER  
Anchorage Daily News

*(Published: December 13, 2006)*

Must Alaska Sen. Ben Stevens, Rep. Tom Anderson or any of the other outgoing state legislators disclose their financial affairs for their last year in office?

For maybe the first time, the answer is yes.

It's been tradition for Alaska lawmakers to get a pass from filing disclosures their last year. Avoiding the report has been allowed under a controversial interpretation of state law.

But this year, the finances and business dealings of legislators are getting new scrutiny.

Stevens, with \$1.6 million in consulting contracts and pay from private groups over the past five years, is one of six lawmakers whose offices were searched by the FBI in August. A federal grand jury handed up the first indictment in the wide-ranging investigation on Wednesday, when Anderson was charged with seven felony counts including extortion, bribery and money laundering.

The Select Committee on Legislative Ethics, made up of legislators and private citizens, has issued a formal, binding opinion that says legislators and staff members must file any required disclosures.

The opinion, dated Dec. 4 but issued Tuesday after some final adjustments, specifically applies to those who are no longer in office when the financial report comes due.

Legislators and staff members long have been required to disclose various finances and relationships, including gifts, travel, board memberships and "close economic associations," to the ethics committee. Legislators also must file by March 15 a disclosure statement to the Alaska Public Offices Commission that includes income sources, business interests, property interests, loans and state contracts.

The legislative ethics committee ruling applies to all of the financial disclosures and covers legislators and staff members, though not executive branch employees, who are covered under separate laws, said Joyce Anderson, ethics committee administrator.

The new reporting requirement affects a dozen legislators who either lost their re-election bid this year or didn't run again. The latter includes Stevens and Anderson.

Even though the ethics law says that it does not apply to "a former member of the legislature," it would be too easy to conceal conflicts if legislators and their staffs were exempt as soon as they become "former," the committee wrote.

"Leaving office does not amount to an amnesty from ethics disclosure requirements -- if it did, then there would a period in every legislator's career where the legislator could disregard much of the code of legislative ethics, safe in the knowledge that, once the legislator makes it past the last day of office, he or she will be safe from ethics-based scrutiny," the opinion said.

Plus, if that were the case, legislators could simply resign rather than be forced to disclose a conflicted relationship, the committee said.

"This is not the way that the laws have ever been administered before," said Brooke Miles, executive director of the Alaska Public Offices Commission. Her agency has relied on a 1977 legal opinion.

But she said the committee's opinion is "very likely excellent public policy."

The indictment against Anderson says that a lobbyist created a sham company, Pacific Publishing, to funnel \$12,828 in payoffs to Anderson in exchange for his influence as a legislator. Anderson listed the company on his required disclosure reports to the state, though he called it Pacific Publications. He described it as a Web newsletter and said it paid him \$10,000 in 2004.

State Rep. Max Gruenberg, D-Anchorage, requested the opinion and thus couldn't participate in the decision, Joyce Anderson said. Stevens also is on the committee but stepped aside since the decision would affect him, she said. All eight members present supported it.

"The point is, what's right is right," said Sen. Ralph Seekins, R-Fairbanks, who filled in as an alternate in Stevens' place.

Seekins lost his re-election bid last month and he said he has no problem complying with the reporting requirements. But he acknowledged that enforcement could be tricky for any reluctant lawmakers.

"They can't be kicked out of the Legislature. They can't be censured by the Legislature," he said.

Joyce Anderson said the committee can levy fines of up to \$100 and that ethics complaints can be brought for up a year after a legislator leaves office.

"There is not a lot of teeth to it, but there is a little bit," Joyce Anderson said.

APOC, which also has oversight powers, plans to consider at its January meeting whether executive branch employees should similarly be required to disclose their finances, Miles said. It also needs to examine whether it can enforce the reporting requirements, she said.

Ultimately, a change in law may be needed, Miles said.

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## **Anchorage Assembly approves new ethics rules for city officials**

The Associated Press

*(Published: December 13, 2006)*

ANCHORAGE, Alaska (AP) - The Anchorage Assembly has approved new ethics rules for city officials.

The rules include a provision forbidding legislators from lobbying before the Assembly, something that state Rep. Tom Anderson was allowed to do. Anderson, an Anchorage Republican, was arrested on corruption charges last week.

Assemblyman Ken Stout said the timing of the new ethics law and any statewide political or legal event is coincidental.

The city's been working on a revision of its ethics law for almost seven years. Assembly members voted unanimously in favor of the new rules on Tuesday.

"The public trust has got to be at an all-time low," said Assembly member Dan Coffey, who is recovering from heart surgery and participated in Tuesday night's meeting via speakerphone. The city's new rules address the type of misbehavior seen at the state level, he said.

"We should put this in book form and send it to Juneau ... and have them follow us," Assemblywoman Janice Shamberg said.

The 55-page ordinance goes into effect Jan. 1. It says:

- A state legislator can't lobby in front of the Assembly
- City employees and elected officials can't register as lobbyists, except union representatives.
- Municipal lobbyists and their immediate family members cannot contribute money to, raise funds for, or serve on campaigns of municipal candidates.
- Officials can't accept payment or gifts in exchange for votes, jobs, or promotions.
- An elected official can't be a consultant for someone doing business with the city. For example, lawyers on the Assembly can't work for clients on city issues.
- City officials can't make decisions about things the official or a family member has a substantial financial or private interest in.
- A municipal employee can't campaign or endorse candidates while on duty.
- Occasional gifts worth \$50 or less, if presumed not to be any sort of bribe, are generally acceptable. Some must be reported. Meals worth more than \$50 must be disclosed. Unsolicited gifts are OK in some circumstances, but mostly would have to be disclosed.

The ethics rules cover elected officials, paid employees and appointed committee members from the municipality and the Anchorage School District.

The five-member volunteer Board of Ethics, which reviews ethics complaints, was involved in rewriting the rules.

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## House team sets its sights on ethics

**BIPARTISAN BILL: Law would set some clear limits on legislators' outside work.**

By STEVE QUINN  
The Associated Press

(Published: January 3, 2007)

JUNEAU -- Eight state representatives -- four from each party -- filed a pre-session ethics bill that some believe to be the first of many such proposals seeking substantive change this year.

This bill seeks changes in lawmakers accepting payments for outside work, plus greater financial and relationship disclosures.

The filing comes in the wake of recent scandals, including the arrest of Rep. Tom Anderson, R-Anchorage, on a federal bribery warrant and the FBI searching several lawmakers' offices last year.

Ethics reform quickly became a strong campaign issue for Gov. Sarah Palin as well as for members of the House and Senate in 2006.

The subject will likely continue to gain momentum when the legislative session begins Jan. 16.

"There is a definite mood for change in light of the FBI raid (and) our new governor with her own record on these issues," said bill sponsor Rep. Berta Gardner, an Anchorage Democrat.

"There is a broad public demand for it, and I know this from going door to door campaigning," she said. "It's very much on people's minds nationally and locally."

Last year, Gardner's efforts to push a similar bill through the House came up short, but she and others believe some change is in the works, be it this bill or another.

This bill is calls for three alterations:

- Banning legislators from accepting outside payment for work associated with legislative, political or administrative actions while in office or for one year thereafter.
- Requiring legislators to produce greater detail in financial disclosures and work description for any outside consulting jobs.
- Requiring legislative employees and legislators leaving service to file disclosures if the related relationship occurred during service.

"The idea is not to get someone in trouble but to keep people out of trouble," said Rep. Bob Lynn, R-Anchorage.

Also sponsoring the bill were Reps. Carl Gatto, R-Palmer; Les Gara, D-Anchorage; Paul Seaton, R-Homer; Lindsey Holmes, D-Anchorage; Gabrielle LeDoux, R-Kodiak, and Bob Buch, D-Anchorage.

Lynn said bills such as these should not come drawn by party lines.

"Ethics has no party label," said Lynn who added that he too expects more filings. "There are a lot of things we disagree on party-wise, but we should never disagree on this kind of thing."

Palin and House Speaker John Harris were unavailable for comment Tuesday because they were traveling on separate activities.

The first round of pre-session bills is expected to be posted publicly by Friday and again Jan. 12. Lawmakers will start arriving in Juneau this week.

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## Alaska editorial: Voters are looking for changes in ethics laws

**The following editorial first appeared in the Anchorage Daily News:**

Alaska voters made it very clear on Election Day: They want tighter ethics rules for public servants. Politicians who stand in the way are jeopardizing their political future.

Voters do not want to hear whining about how complicated and difficult it is to write ethics rules. They do not want to hear complaints that tighter rules might scare off candidates from running for office or serving in government. Voters do not want any more excuses; they want action, and they want it soon.

The eight House lawmakers who pre-filed a bipartisan ethics reform bill have the right idea: Let's get to work early and get it done. Republican Bob Lynn and Democrat Berta Gardner, both of Anchorage, are leading that charge.

Senate President Lyda Green, however, does not seem to share their enthusiasm. It's not so easy, she says. Let's not be hasty.

This is an issue where her Democratic coalition partners may have to push the Republican Senate president to do the right thing.

Ethics reform does not have to be a complicated ordeal that slogs on and on, down to the last hours of the last night of the session. Since the Palin administration is starting over on gas line legislation and a possible pipeline contract, lawmakers will have plenty of free time early on this year to focus on ethics.

Remember Attorney General Gregg Renkes, with his \$100,000-plus investment that wasn't "significant" enough to be a conflict of interest? That's easy to fix. Genuine reform bills that died last year would have set a much tighter, more appropriate definition of a conflict. And those measures didn't have any hanky panky attached, either. No allowing the lawmaker to peek at what are supposedly "blind" investments controlled by others. No threats of big fines if anybody blabs about an ethics case while it's pending.

Other easy changes:

Make lawmakers and public officials file a financial disclosure covering their last year in office, with more than just a slap on the wrist if they don't.

Don't let sitting legislators represent clients before state or local government agencies.

Tighten up the one-year cooling-off period before legislators and public officials can go into business lobbying government decision-makers.

Lawmakers and other officials should also have to report the hours and document the work they do under consulting contracts.

Alaska legislators don't have to write a 1,000-page manual for every conceivable ethical situation. All they need to do is deliver what voters expect: Stronger, straightforward ethics rules that deal with past abuses and will rebuild public trust.

Click here to return to story:

[http://www.juneauempire.com/stories/011107/opi\\_20070111020.shtml](http://www.juneauempire.com/stories/011107/opi_20070111020.shtml)

## Partial progress

### New legislative ethics rule good, but enforcement is a question

(Published: December 17, 2006)

The Legislature's Ethics Committee is not always the most vigilant of guardians. It's a mix of legislators and ordinary citizens subject to legislative confirmation. Legislative members who get too aggressive about enforcing high ethical standards may find themselves isolated by their colleagues. Public members who get too uppity may not be confirmed or reappointed.

So it's a pleasant surprise to see the Ethics Committee require full financial disclosure from legislators after their final year in office. The new directive, issued Tuesday, reverses a long-standing practice that has provided too much room for lawmakers to keep secret any business deals or consulting contracts struck their final year in Juneau.

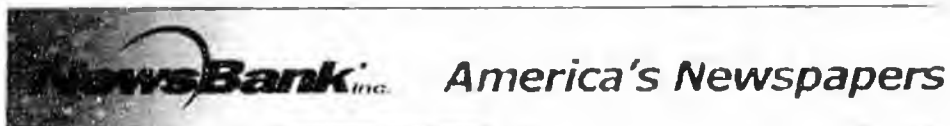
For decades, an Alaska legislator who retired or was defeated for re-election did not have to file a financial disclosure report covering his or her last year in office. That's because reports on the previous year's finances aren't due until March, and by then the lawmaker had left office. No longer technically a "legislator," he or she was freed of the annual disclosure requirements imposed on "legislators."

This free pass on financial disclosure never made much sense, except in a lawyerly, hairsplitting way. Disclosure is supposed to give the public confidence that public officials are serving the public, not their own pocketbook interests. Just because a lawmaker is on the way out the door shouldn't change anything. During the last year in office, a lawmaker still has an obligation to be accountable to the public. In fact, the temptation to make profitable financial deals might be even greater as a lawmaker contemplates returning to the workaday world.

The Ethics Committee's new rule sets the right standard. Enforcement, however, is another question altogether. Some of the most powerful potential sanctions -- expulsion, censure, losing committee assignments or staff -- disappear once a lawmaker leaves office. An ex-lawmaker who spurns the new rule and doesn't file apparently faces a maximum fine of \$100. To some lawmakers, that might be a small price to pay to keep embarrassing information hidden.

Come January, one of the more urgent issues facing the Legislature will be ethics reform. That reform should make clear that departing lawmakers still have to file one last financial disclosure -- and impose a penalty that's serious enough to ensure compliance.

**BOTTOM LINE:** On their way out the door, departing legislators should have to file one last financial disclosure report.



**Paper:** Anchorage Daily News (AK)

**Title:** Alaskans deserve full disclosure new bill would provide -

**COMPASS:** Points of view from the community

**Date:** April 22, 2006

Alaskans want to believe that those serving in the Legislature do not attempt to influence the process for their own benefit. I feel confident that the vast majority of individuals who enter into public service do so to serve the public good and would never use their positions for private gain. I know I bristle when I hear people say that legislators are corrupt or when they speak of politicians with scorn.

Alaska statutes require legislators and legislative employees to "conduct the public's business in a manner that preserves the integrity of the legislative process and avoids conflicts of interest or even the appearances of conflicts of interest." So the fact is, when we make the choice to serve in public office, we have to open up our lives to a high degree of scrutiny. What was once our personal and private business has to become public information.

**Disclosure** of our financial relationships is important not just because the law requires it but also because for government to be truly effective, it must have the trust and respect of those it serves. Transparency, openness and honesty are the hallmarks of a good government and of its servants. The public has to have the tools to evaluate how we make decisions and where our allegiances lie.

Over the past few years, our own state has mirrored a disturbing national trend, with a number of high profile cases of questionable ethical conduct, some of which involved only perceived conflicts of interests and potential improprieties. These cases in particular have highlighted the need for refinement of Alaska's ethics code.

Perception is a powerful force. Even when there is no technical conflict of interest, the very perception of one casts a shadow on the whole of government and those in its service. Whenever we have the opportunity to prevent a conflict of interest or the perception of one, I believe we should do so.

This is why I have introduced House Bill 461. It is a simple bill designed to strengthen our current ethics statutes by clearing up what has been called a loophole in current **disclosure** requirements.

Under current legislative ethics statutes, a public official must disclose any compensation greater than \$5,000. A simple one- or two-word description such as "consulting" or "business services" is, by current law, sufficient to explain even a \$100,000 contract.

These bare bones descriptions are not enough to completely avoid the "appearance of conflicts of interest" as our state law suggests. In fact, because they lack the necessary explanatory details, **disclosures** have been raising more suspicions than they assuage.

HB 461 addresses this problem. It adds language requiring filers to provide enough information about the compensation they receive so the general public can understand what specific services were performed for it, as well as the approximate number of hours spent doing so. This requirement would apply to all legislators and is not intended to single out individuals.

Supplying this additional information simply provides the public with the level of **disclosure** they have repeatedly asked for and should have from their public officials. By honoring this request, we, as public officials, can encourage the public's trust, respect and confidence in their government.

**Berta Gardner** represents Midtown Anchorage in the Alaska House of Representatives.

Photo 1: **Berta Gardner\_042206.jpg**

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*Author: REP. BERTA GARDNER Commentary*

*Section: Alaska*

*Page: B5*

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# **Relevant Alaska Statutes For House Bill 10**

Legislative Disclosures/Outside Income

Sec. 24.60.020. Applicability; relationship to common law and other laws.

(a) Except as otherwise provided in this subsection, this chapter applies to a member of the legislature, to a legislative employee, and to public members of the committee. This chapter does not apply to

(1) a former member of the legislature or to a person formerly employed by the legislative branch of government unless the provision specifically states that it applies;

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

(b) The provisions of this chapter specifically supersede the provisions of the common law relating to legislative conflict of interest that may apply to a member of the legislature or a legislative employee. This chapter does not supersede or repeal provisions of the criminal laws of the state. This chapter does not exempt a person from applicable provisions of another law unless the law is expressly superseded or incompatibly inconsistent with the specific provisions of this chapter.

Sec. 24.60.085. Restrictions on earned income and honoraria.

(a) A legislator or legislative employee may not

(1) seek or accept compensation for personal services that is significantly greater than the value of the services rendered taking into account the higher rates generally charged by specialists in a profession; or

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

(b) Notwithstanding (a) of this section, a legislator or legislative employee may accept a payment for an appearance or speech if the appearance or speech is not connected with the person's legislative status.

Sec. 24.60.200. Financial disclosure by legislators, public members of the committee, and legislative directors.

A legislator, a public member of the committee, and a legislative director shall file a disclosure statement, under oath and on penalty of perjury, with the Alaska Public Offices Commission giving the following information about the income received by the discloser, the discloser's spouse or domestic partner, the discloser's dependent children, and the discloser's nondependent children who are living with the discloser:

(1) the information that a public official is required to report under AS 39.50.030, other than information about gifts;

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

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

Rep. Lynn ←

To Gov. Palin & each Alaska legislator

**P E T I T I O N**

**Re: Permission to Testify about Effectively Dealing with Corruption in State Government**

I petition you to allow me to address, in open meeting, Alaska elected officials about dealing with representative government incompetence, corruption and poor ethics. My authority to command your attention is the inherent sovereignty of an informed citizen over government, as recognized by the Alaska and US Constitutions. By your oaths of office, I conjure you to recognize this.

For courtesy's sake, I resubmit, in the attached published letters, the foundation of my testimony and idea for simply controlling corruption and ethics standards in government. This is so you can reasonably determine that I am sensible and sincere.

I ask for this widest possible official audience because of my treatment at the hands of state lawmakers and the governor last year. My petition to be heard by the House and Senate Rules committees, concerning inoculating lawmakers against destructive ignorance, prejudice and corruption, was refused - though they had proper jurisdiction over legislative rules. I have documented evidence of this. I reported this rejection and a summary of my intended testimony and solution to the governor and all 60 legislators. Only about 8 lawmakers responded. None expressed interest in a simple proven solution to controlling ethics lapses and corruption, or recognized the corruption inherent in what I experienced. I have documented evidence of this. Yet I only wanted to help the Legislature improve its performance and ethics standards in a gentle fashion. This year, corruption and ethics are now being given emergency attention. This is apparently due to the attitude of the new governor, embarrassment over the gross corruption uncovered by the FBI, and embarrassment over ethics lapses now being punished by APOC. I hope I will now be differently treated.

My testimony will verifiably show that:

1. the current measures being considered against corruption and ethics lapses are acceptable, but are superficial. Such solutions naturally permit problems to mutate until those solutions later no longer work.
2. the full discipline of our constitutional form of government is itself the ultimate control over corruption - if enough of it known and fully practiced. Our republican form of government is based on a vastly verified study and debate by our founding fathers about the strengths and weaknesses of all other government forms that preceded it. So failures to control corruption and ethics lapses are actually evidence of cooperative incompetence at using the constitutional devices and disciplines that make up our political heritage.
3. the common solution lawmakers are using to address their overwhelm from the volume of legislative material naturally leads to corruption. Specifically, addiction to trusted lobbyists and practicing follow-your-caucus-leader is discredited by the history of aristocrats and monarchs. People-based information and research support for leaders is practically unknown, much less used, despite our political heritage from early America and from our Alaska native cultures.
4. the example set by modern elected representatives and chief executives is probably the most major influence behind skyrocketing high school dropouts and disinterest in learning. Youth consistently see how people must join an aristocracy - born of money, "who you know", prominence and popularity in the community, and name recognition - to be elected to run things or to be empowered to call the shots. Why know history, civics, math or even how to study if you can get "experts" and advisors to know this for you when you're in power?
5. there is a simple remedy for current conditions that is historically proven.

May I please be given the respect of a public hearing before legislators so I can discharge my duty of preserving the existence of my state?

1/22/07

Stuart I. Thompson  
Direct responses to [stuart@stuarti.com](mailto:stuart@stuarti.com) or VM 1-877-950-7980 as am currently working in SE cities  
Permanent address: PO Box 870702, Wasilla, AK 99687

Sir! I appreciated your OPED in the ADN. I assure you I don't believe that all politicians are naturally evil ogres. I do believe they are imperfect human beings that deserve help, though Stuart T

Y ON SUBMISSIONS

to the Editor. Letters will be edited for length. libel. Factual accuracy and a civil tone are

ceed 400 words. All letters, including e-mail, include a daytime phone number for verifica-



'Educated competence' needed in government

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To the editor:  
People moan about political corruption, destructive partisanship by representatives, and undue influence by special interests, yet carelessly accept empty rhetoric from politicians. Let's talk seriously about making our form of government work to its potential.

Consider that the Alaska Constitution's Article 2, Sect. 12, last sentence reads: "The legislature shall regulate lobbying."

What? This is the very thing that nearly all Alaskans complain the Legislature doesn't do enough of. Here are excuses given by past and present politicians for brushing this off:

A- "Lobbying is part of the fabric of democracy." Yet common sense shows lobbying works best to the degree just a few or one person calls the political shots, which sounds like aristocracy or monarchy in action. History calls efficient lobbying "having the ear of the king."

B- "Lobbyists perform valuable educational and research services for the legislature on complex issues." Yet it's self-evident that whoever controls the information diet of a mind controls most of its conclusions and decisions.

What powers such hypocrisy?

Basically, current political traditions and practices are increasingly turning away from people-based government principles. Example: how to successfully harvest and organize a population's ideas, contributions and efforts toward state and national goals is rarely practiced, or even understood.

See LETTERS, Page A5

LETTERS

Continued from Page A4

This is demonstrated by the common assertion "Representatives are elected to make the hard decisions for everyone." Yet this defines aristocracy, not representative government.

Furthermore, politicians who rebel against "how things are done" are suppressed and demoralized by our modern tradition-oriented political infrastructure. Consequently, it's why citizen apathy is never actually addressed. Apathy serves benevolent elected aristocrats that masquerade as representatives very well.

How have political traditions come to have more influence than constitutional oaths of office? Well, consider this. U.S. founding fathers were at least partially educated in Greek and Latin. This naturally drove their comprehension and use of English words derived from these languages.

The word "represent" is derived from Latin words for "show or give again." This obviously applies to a constitutional republic that is supposed to reflect the will and ideas of its citizens.

But modern dictionaries and politicians give the word "represent" in government another meaning. They use "be an agent or official in behalf of."

Yes. Look it up.

This goes beyond the original theory of Congress acting as a check against mob rule. An agent by definition isn't required to reflect the ideas and thinking of his clients. He just has to provide for their

well-being and interests based on his judgment of realities.

Now you see why even well-meaning elected officials tend to ignore their constituents in favor of knowledgeable lobbyists. It's obviously more efficient for an "agent" to do so.

Consequently, "we" citizens have to pass initiatives about lobbying and even, in desperation, attempt to move the Capitol. Unbelievably, all this visibly proceeds from faulty comprehension of just one key word.

There's an easy and inexpensive way to change all this. Our Legislature is constitutionally commanded to provide rules to maximize cooperative efficiency for doing the public's business (Article 2, Sect 12). But current legislative rules fail to include the most successful method of all time at accomplishing just that. The Rules don't require on-the-job self-education by legislators about the craft of government. Yet true professionals have always proven commitment to results and ethical standards through career-long self-education about their work. Why should Alaska lawmakers be any different?

In remedy, the Legislature could pass this simple rule:

"Each member of the Legislature shall spend at least three hours per week each session personally studying government forms and lawmaking, including histories of their successes and failures. At the beginning of each term, each legislator shall take a voluntary exam about government to have a benchmark to individualize personal studies.

The regularly freshened exam shall be composed by Alaska's social studies teachers, under the supervision of the Lt. Governor's office, with Alaska Supreme Court oversight."

Let's make our government run on educated competence.

Stuart Thompson



# Letters

Continued from Page A6

from the vote.

Maybe it is because you do not have the time to spend researching the subject.

provisions to House Bill 149, Murkowski did not give the House an opportunity to debate the merits of his plan to recriminalize marijuana. We should not allow this kind of an end-run around the House and the democratic process.

proportion to the amount of unchecked human irrationality rampant in society. Unjust harm from natural human irrationality increases in proportion to citizens neglecting the religion, philosophy, self-education and communication exchanges that check it. Consequently, founding father James Madison observed in "The Federalist Papers" (No. 51), "Justice is the end of government. It is the end of civil society."

3. Permitting growth of economic dependence on government — through excessive subsidies, grants, entitlements and work contracts — risks enslaving the rich and the poor alike. Consider this analogy: One commonly tames or trains animals by forming dependency on the master for survival essentials. Empowered by such dependency, a master comes to command the animal's willing obedience through calculated awards for compliance and calculated punishments for non-compliance.

So it can be with citizens — using government's legislative process. This process clearly contains the capabilities of appropriations control and threats of fines and imprisonment. Thus, overly powerful government, using government funding, can become an addictive necessity for even mediocre civilization.

4. How can we encourage rational and realistic independence from overly powerful government — the essence of civic freedom? It requires leadership at cultivating, organizing and using widespread citizen participation in civic matters.

Such matters include help for the weak and for minorities tyrannized by the majority — what typically prompts serious government intervention. These are realities for successful cooperative pursuit of mutual happiness. Comparatively, when has concentrated government power using dictatorial benevolence ever been effective at dispensing happiness?

These concepts prompt two questions: Citizens, are you willing to personally exercise responsibility for the practical work of civic freedom? Politicians, are you willing to actually represent the true political power this generates?

Stuart Thompson

## Reader offended by editorial cartoons

To the editor:  
I am very offended by Chuck Legge's cartoons. What bothers me more is that there isn't a cartoon representing other views. It is OK

A4

Fairbanks Daily News-Miner, Wednesday, June 7, 2006.

should avoid a golf course because it is girly habitat? Common sense and logic more clearly point to eliminating a dangerous predator from a densely populated area. That golf course must have looked like an all-you-can-eat buffet to an angry bear.

If there are really five alligators in every pond in Florida, as Mr. Thompson contends, Floridians should start an alligator golf bag industry. It would place an order tomorrow.

### Pro-monarchists

June 3, 2006

To the editor:

This concerns everyone. Behold signs of practicing pro-monarchists in government and among us:

They believe ordinary citizens are generally too politically immature or corrupt to make our law-making process effective. Therefore, the executive branch alone must judge whether to overrule law for national security and public good.

They believe national emergencies and foreign threats are rarely traceable to U.S. government errors but instead justify giving the executive branch more authority.

They believe privacy is an impediment to law and order and national security. Privacy's not important because people "who have done nothing wrong" don't really need it with the "right" people in charge.

They believe in common use of secrecy to achieve effective government and public protection.

But secrecy can't even exist without a select aristocracy—jealously organized and practiced.

They believe American citizens elect officials "to make the hard decisions for everyone." Yet this defines ruling by an elite, rather than representing informed citizen will.

They believe "lobbying is part of the fabric of democracy." Yet lobbying is efficient to the degree just a few or one person call the shots politically—the character of aristocracy or monarchy, despite feel-good propaganda.

They believe people act civilized solely from threats from force of law or armed supervision. So they scoff at encouraging constructive motivations based on reason, conscience, religion, or mutual pursuit of happiness.

They believe administering justice for lawbreaking is best left to expert guidance or manipulation. So a jury's intended powers of trying a case "considering both matters of fact and of law" is too dangerous in the hands of citizen peers of the accused.

They believe prejudice appeasement, or bribing constituents with government funding, work better than actually harvesting, organizing and using constituent input and contributions.

Citizens beware!

Stuart Thompson  
Fairbanks

### Test ride?

June 6, 2006

To the editor:

Wanna test your car's shocks?  
Drive out South Cushman.  
Guy Ramsey  
Nenana



### The realities of limited government

To the editor:

Politicians like Vic Kohring and Ethan Berkowitz are sincere, but miss something vital. There are self-evident realities about making American-style limited government with low taxes happen. Consider these descriptions of them:

1. Limited government is possible in proportion to the amount of organized civic participation by citizens. Attempting limited government without such citizen activity produces anarchy. Such anarchy stimulates regulation and supervision typical of kings and dictators.

2. Demand for expanded government increases in

# Letters

Continued from Page A6

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If there are really five alligators in every pond in Florida, as Mr. Thompson contends, Floridians should start an alligator golf bag industry. I would place an order tomorrow.  
Don Eagle  
Fairbanks

### Pro-monarchists

June 3, 2006

To the editor:

This concerns everyone. Behold signs of practicing pro-monarchists in government and among us:

They believe ordinary citizens are generally too politically immature or corrupt to make our law-making process effective. Therefore, the executive branch alone must judge whether to overrule law for national security and public good.

They believe national emergencies and foreign threats are rarely traceable to US government errors but instead justify giving the executive branch more authority.

They believe privacy is an impediment to law and order and national security. Privacy's not important because people "who have done nothing wrong" don't really need it with the "right" people in charge.

They believe in common use of secrecy to achieve effective government and public protection.

But secrecy can't even exist without a select aristocracy—jealously organized and practiced.

They believe American citizens elect officials "to make the hard decisions for everyone." Yet this defines ruling by an elite, rather than representing informed citizen will.

They believe "lobbying is part of the fabric of democracy." Yet lobbying is efficient to the degree just a few or one person call the shots politically—the character of aristocracy or monarchy, despite feel-good propaganda.

They believe people act civilized solely from threats from force of law or armed supervision. So they scoff at encouraging constructive motivations based on reason, conscience, religion, or mutual pursuit of happiness.

They believe administering justice for lawbreaking is best left to expert guidance or manipulation. So a jury's intended powers of trying a case "considering both matters of fact and of law" is too dangerous in the hands of citizen peers of the accused.

They believe prejudice appeasement, or bribing constituents with government funding, work better than actually harvesting, organizing and using constituent input and contributions.

Citizens beware!  
Stuart Thompson  
Fairbanks

### Test ride?

June 4, 2006

To the editor:

Wanna test your car's shocks?  
Drive out South Cushman.  
Guy Ramsey  
Nenana



### The realities of limited government

To the editor:

Politicians like Vic Kohring and Ethan Berkowitz are sincere, but miss something vital. There are self-evident realities about making American-style limited government with low taxes happen. Consider these descriptions of them:

1. Limited government is possible in proportion to the amount of organized civic participation by citizens. Attempting limited government without such citizen activity produces anarchy. Such anarchy stimulates regulation and supervision typical of kings and dictators.
2. Demand for expanded government increases in

# House Bill 10 Legislative Disclosures/Outside Incomes

## Witness and Expert List

**Available in person or by phone for comments and questions:**

Joyce Anderson, Ethics Committee Administrator  
Legislative Select Committee on Ethics  
269-0150, email: [joyce\\_anderson@legis.state.ak.us](mailto:joyce_anderson@legis.state.ak.us)

Brooke Miles, Executive Director  
Alaska Public Office Commission  
276-4176, email: [brooke\\_miles@admin.state.ak.us](mailto:brooke_miles@admin.state.ak.us)

Daniel Wayne, Attorney and HB 10 Writer  
Legislative Affairs Legal Office  
465-2450

**Representative from the Governor's office (may attend):**

Christopher Clark, Deputy Legislative Liaison  
465-3500, email: [Christopher\\_clark@gov.state.ak.us](mailto:Christopher_clark@gov.state.ak.us)

# House Bill 10 Legislative Disclosures/Outside Incomes

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**HB**

**13**



HB 13

**Nancy Manly**

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**From:** Juli Lucky  
**Sent:** Wednesday, March 21, 2007 11:50 AM  
**To:** Nancy Manly  
**Subject:** Teleconference request - additional names

Nancy,

I'm sorry - this meeting keeps getting more complicated. Goldman Sachs called in to ask if the following people could be added on to the teleconference:

1 Ami Karnik 415-393-7754  
 2 Dick Shoher 206-613-5533  
 3 Tim Romer 310-407-5886

Thank you for your consideration of this request. Let me know if it's ok and I'll send them the call in number.

Juli Lucky  
 Office of Representative Mike Hawker  
 (907) 465-4949, fax: 465-4979  
 Capitol Bldg Room 502, Juneau, AK 99801

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**From:** Juli Lucky  
**Sent:** Monday, March 19, 2007 3:07 PM  
**To:** Nancy Manly  
**Subject:** Teleconference request

Nancy,

I am requesting a teleconference offnet for the following people:

1 Andrew Prindle, Goldman Sachs (310) 407-5834  
 2 Frank Ingrassia, Goldman Sachs (212) 902-6417  
 3 Lindsay Soyde and Mark Prussing, Seattle Northwest Securities (206) 628-2875  
 4 Isaac Sine and Jeff Brown, Merrill Lynch & Co (206) 830-6028

Please let me know if these are ok and I'll give them the teleconference number. Thank you!

Juli Lucky  
 Office of Representative Mike Hawker  
 (907) 465-4949, fax: 465-4979  
 Capitol Bldg Room 502, Juneau, AK 99801

3/21/2007

**REUTERS**[Print](#) | [Close this window](#)

## Alaska prepares to sell pension-obligation debt

Thu, Apr 10, 2008 6:04pm EDT

By Yereth Rosen

ANCHORAGE, Alaska, April 10 (Reuters) - Alaska is poised to issue pension-obligation bonds to cover part of a nearly \$9 billion combined shortfall in its retirement systems for state workers and teachers, thanks to a bill passed by lawmakers, the measure's prime sponsor said on Thursday.

The debt has the potential to help Alaska bolster its pension financing, said state Rep. Mike Hawker, the Anchorage Republican who sponsored the bill authorizing the bonds.

"Under current market conditions, we would save several hundreds of millions of dollars, if not over \$1 billion, in resolving these liabilities," Hawker said.

Alaska plans to issue the bonds later this year, said Brian Andrews, deputy commissioner of the state's Department of Revenue.

The bill passed by lawmakers last week authorizes the sale of up to \$5 billion in pension-obligation bonds and creates the new Alaska Pension Obligation Bonding Corp.

The bill also authorizes existing state entities, such as the Alaska Housing Finance Authority and the Alaska Municipal Bond Bank, to issue pension-liability bonds.

Lawmakers expect Gov. Sarah Palin to sign the bill, which Andrews said gives Alaska the same means to tackle pension fund financial woes as other states.

"The state looked around and said, 'What are other states doing as far as their unfunded liabilities?'" Andrews said. "Other states have been doing this since the 1990s."

While legislators debating the measure expected the sale of \$2 billion of the debt, state officials have yet to settle on a total, according to Andrews.

"It could be anywhere from \$500 million to \$5 billion," he said.

Along with settling on an amount, Alaska must choose an investment bank and financial advisers for any debt sale, Andrews said.

"The earliest that a transaction could happen would be in the next three to six months," he said.

### STATE COFFEES FLUSH WITH OIL

The combined unfunded liability in Alaska's Public Employees Retirement System and Teachers Retirement System is estimated at \$8.6 billion, Andrews said.

The legislation authorizing the debt was paired with a bill that shifts all responsibility for local governments' unfunded pension liabilities to the state.

Palin, who supports both bills, has also proposed that lawmakers appropriate \$450 million to pay down part of the unfunded liability for the Teachers Retirement System, Andrews said.

It is unclear yet whether lawmakers will put such a provision in the coming fiscal year's budget before the legislative session adjourns next week, Andrews said.

Overall, Alaska is in better shape to handle the liability than other states, Hawker said.

Alaska is enjoying budget surpluses from record-high oil prices and has always had a conservative, cautious approach for estimating future liabilities, he noted.

Alaska has already taken major steps toward reducing the liability, including a shift in 2006 to a defined-contribution system for public employees' and teachers' retirement plans from a defined-benefit system — a change that remains controversial. (Reporting by Yereth Rosen in Anchorage, Alaska; Editing by Jim Christie and Jan Paschal; Reuters Messaging: jim.christie.reuters.com@reuters.net)

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# Pension Obligation Bonds

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March 21, 2007

**Department of Revenue**



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# **Overview of Pension Obligation Bonds (POBs)**

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# Pension Obligation Bonds (POBs)

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- Pension Obligation Bonds are bonds issued by a state or local government to pay its obligation to the pension system in which its employees are members.
- POBs have been an increasingly popular and successful way for state and local governments to accomplish financial and other objectives.
- According to Thomson Financial, during the past decade there have been 340 POB issues by state and local government issuers in at least 26 states.



## Why Should We Consider Issuing POBs?

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- Interest rate savings – the interest rate of POBs issued in the near future will be lower than 8.25% charged by the pension system.
- Arbitrage – the actual investment return of pension asset exceeds the POB cost.
- POBs are not generally viewed as adding to the debt burden of the state or local government issuer because they replace existing pension obligations.

# Alaska Pension Bill/Unfunded Accrued Actuarial Liability (UAAL) in 2006



**AK Pension System**



**Total \$8.6 Billion:**

**\$5.5 Billion PERS**

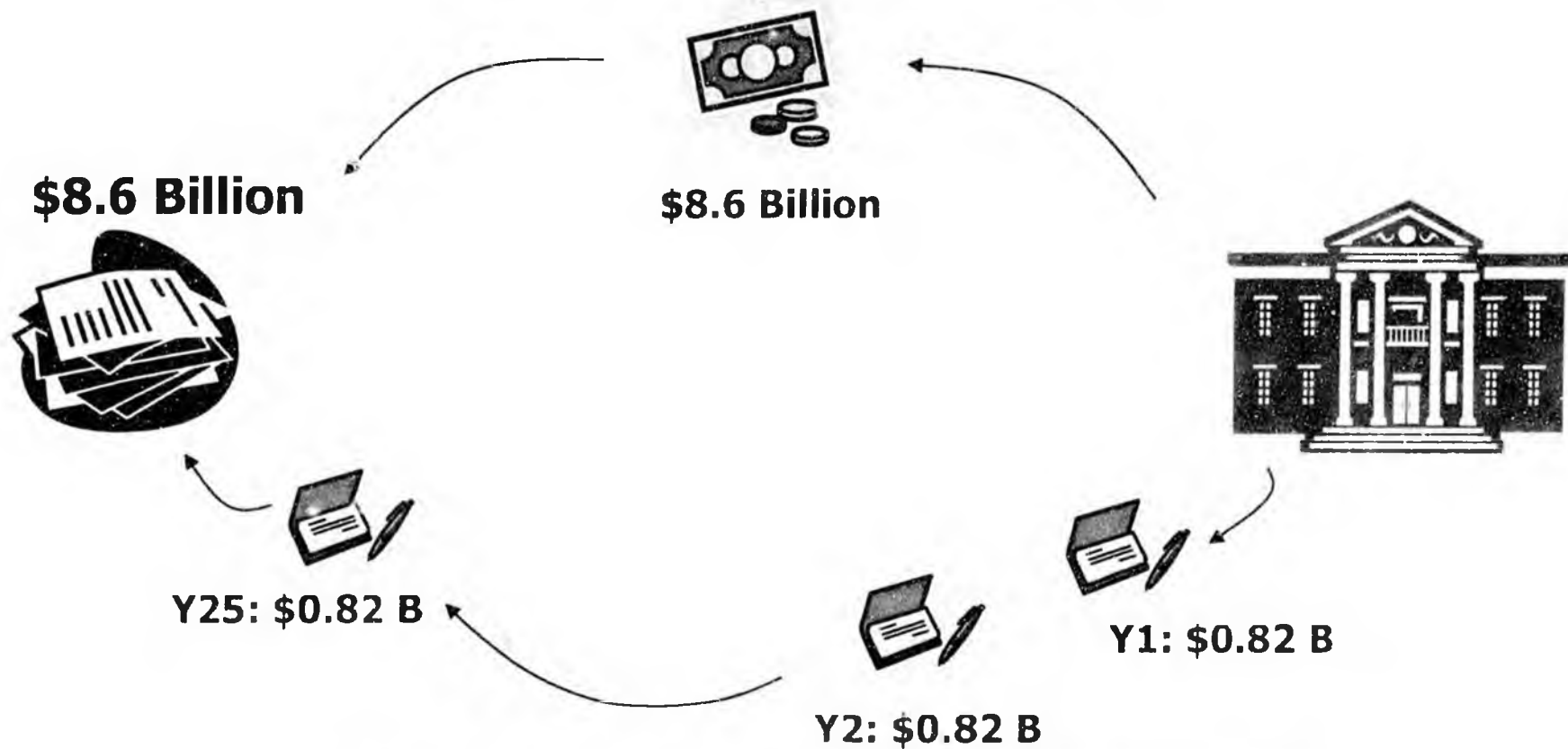
**\$3.1 Billion TRS**



**State & Local Governments**

# Paying the Bill/UAAL

## Option A: Pay the total with Cash



## Option B: A "loan" of 25 years at 8.25% cost