



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Law

CIVIL DIVISION

1031 West 4th Avenue, Suite 200
Anchorage, AK 99501
Main: 907.269.5100
Fax: 907.276.3697

CONFIDENTIAL

June 25, 2026

VIA EMAIL ONLY: [REDACTED]

Larry Wood
Chair
Local Boundary Commission
550 W. 7th Avenue, Suite 1640
Anchorage, AK 99501

Re: *Advisory Opinion Concerning Commissioners' Participation in Regulation
Repeal and Anticipated Eaglexit Detachment Petition*

Dear Chair Wood:

You requested guidance regarding whether you and Commissioner Clayton Trotter may participate in (1) the Commission's consideration of a proposal to repeal 3 AAC 110.270(e), and (2) the anticipated detachment petition that Eaglexit intends to file seeking to detach the Eagle River area from the Municipality of Anchorage and incorporate it as a new borough. As discussed below, the Ethics Act and the Local Boundary Commission Bylaws, particularly Article X, Section 2, provide the primary and controlling standards for determining participation in either matter.

We conclude that you may participate in the regulation-repeal matter but must not participate in the Eaglexit petition when filed. Commissioner Trotter must be recused from both the regulation repeal and the Eaglexit petition should it come before the commission. This opinion revises and replaces earlier advice given to you on May 1, 2026.¹

BACKGROUND

The Commission has received a request—first through the AO 360 regulatory review process and most recently through a formal rulemaking petition—to repeal

¹ AS 39.52.240(e).

CONFIDENTIAL

3 AAC 110.270(e). The proposal was submitted by a representative of Eaglexit, the same organization preparing a detachment petition concerning Eagle River. Section 270(e) currently requires that any detachment-plus-incorporation proposal must create a borough “substantially larger” in population and area than the territory being detached. Eaglexit has stated that repealing the regulation is necessary for the success of its forthcoming petition.

Both you and Commissioner Trotter reside in Eagle River and own homes within the territory that would be detached under Eaglexit’s anticipated petition. Commissioner Trotter has also publicly addressed the Eaglexit organization, encouraged its organizational development, and offered assistance through the Justice Foundation, an entity with which he is personally affiliated and through which Eaglexit did receive assistance. You both also may have immediate family members who live in Eagle River.²

The Commission has deferred further action on the repeal proposal pending resolution of whether you or Commissioner Trotter may participate.

ANALYSIS

A. Executive Branch Ethics Act

Generally, conflicts of interest for public officers are governed under AS 39.52.120 and 39.52.150 by the Executive Branch Ethics Act (the Ethics Act).³ The Ethics Act is intended to ensure that public officers will not base their official decisions and actions upon their own personal or financial interests.⁴ A public officer may not use, or attempt to use, his official position for personal gain.⁵ Nor may a public officer take or withhold official action in a matter in which the public officer has a personal or financial interest.⁶ The Act mandates that “public officers conduct the public’s business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest.”⁷

² AS 39.52.960(11).

³ *Wilson Hughes*, 1996 Alaska Op. Atty. Gen. (Inf.) 241 (Alaska A.G.), 1996 WL 1062216, at *2.

⁴ AS 39.52.010.

⁵ AS 39.52.120(a).

⁶ AS 39.52.120(b)(4).

⁷ AS 39.52.010(a)(4).

CONFIDENTIAL

But the Alaska Legislature also recognized that “in a representative democracy, the representatives are drawn from society and, therefore, cannot and should not be without personal and financial interests in the decisions and policies of government.”⁸ Thus, the Act “distinguish[es] between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts of interest that are substantial and material.”⁹

Therefore, the Ethics Act speaks principally to actual substantial conflicts of interest, not the appearance of conflict alone.¹⁰ It requires individual determinations regarding potential conflicts of interest on a case-by-case basis.¹¹ If a substantial potential conflict exists, steps must be taken to avoid the conflict.

To determine whether a conflict of interest is substantial and material, we consider both (1) the significance of the officer's personal or financial interest in the matter, and (2) how his or her official actions may affect that matter. Under AS 39.52.110(b)(1) there is no substantial impropriety where a public officer's “personal or financial interest in the matter is insignificant, or of a type that is possessed generally by the public or a large class of persons to which the public officer belongs.” Subsection (b)(2) then provides that there is “no substantial impropriety” if the public officer's “action or influence would have an insignificant or conjectural effect on the matter.” But in circumstances where an officer's personal or financial interest is significant and where the effect of the official action on that interest is sufficiently non-speculative and foreseeable, then a substantial conflict exists.

The statute defines “official action” broadly to include advice, participation, deliberation, recommendations, procedural involvement, or votes, as well as inaction. AS 39.52.960(14). Therefore, conflict analysis applies to regulation-making and adjudicatory petition proceedings. The Ethics Act also requires disclosure “at any time” a matter presents a conflict and sets out a determination process at AS 39.52.220.

⁸ AS 39.52.110(a)(1).

⁹ AS 39.52.110(a)(3).

¹⁰ 9 AAC 52.010; 1993 *Inf. Op. Att'y Gen.* (Jan. I; 663-93-0113), 1993 WL 595769 (Alaska A.G.) at *5.

¹¹ 1999 *Inf. Op. Att'y Gen.* (Sept. 23; 663-99-0232), 1999 WL 1454824 (Alaska A.G.).

CONFIDENTIAL

B. Ethics provisions of the Local Boundary Commission's Bylaws.

The Local Boundary Commission (LBC) is bound by both the Ethics Act and LBC's Bylaws.¹² Article X, Section 2(a) establishes three circumstances requiring recusal¹³ that parallel the Ethics Act's requirements:

- (1) . . . a member of the commission may not participate in a proceeding before the commission if the member was employed by or had a contract with a party in the proceeding within a two-year period preceding the filing of the proposal with the commission;
- (2) . . . a member of the commission may not participate in the consideration of a proposal before the commission if the proposal affects an area or territory in which the member resides or owns real property. This subsection applies to action on area or territory that is proposed for annexation, consolidation, detachment, dissolution, incorporation, merger, or reclassification; and
- (3) . . . a member of the commission may not participate in a proceeding if the member has a personal or financial interest in a party to the proceeding or an organization that advocates a position with respect to the proceeding.

The Bylaws explicitly state that they apply "in addition to the standards established by the Ethics Act." This language signals that the Bylaws were intended to impose *stricter* recusal obligations, not merely restate or mirror the Ethics Act. Consistent with that purpose, the Bylaws allow a waiver only when the conflict is "minor and inconsequential," and when the member's participation "will not interfere with the full and faithful discharge" of their duties.

¹² Article X, Section 2 makes this clear when it states that the requirements of the Bylaws are "[i]n addition to" the requirements of the Ethics Act and its regulations.

¹³ Under Article X, Section 2(e), "'Recusal' means withdrawal as, or disqualification of, a commission member in a proceeding because of a conflict of interest, personal prejudice, or some other good reason why the member should not sit in the interest of fairness."

CONFIDENTIAL

Section 2(b) provides examples that show when a conflict is too remote to require recusal:

- (1) the conflict is insignificant in relation to the size, population, and other characteristics of the area or territory encompassed by the petition;
- (2) the area or territory that is the subject of the petition is not in close proximity to the residence or other property owned by the member as specified in (a)(2) of this section;
- (3) the nature of the interest of the member to a party in the proceeding, or in an organization that advocates a position with respect to the proceeding at issue as specified in (a)(3) of this section, is insignificant.

Because the Bylaws operate as an additional set of requirements, they may impose stricter standards than the Ethics Act. However, they cannot authorize conduct that would be prohibited by the Ethics Act itself.

C. Property-Based Conflicts under Article X, Section 2(a)(2).

Both commissioners own and reside in homes within the precise territory that would detach should Eaglexit's petition succeed. Commissioner Wood, you have relayed that you have immediate family members in Eagle River as well, and past statements by Commissioner Trotter have communicated the same.¹⁴ Residential property ownership in this context creates a substantial financial interest because detachment could, in a direct and foreseeable manner, materially affect owners in a variety of ways, including taxation levels, payment for or availability of municipal services, local governance structure, property values and market conditions, and household costs of living.

¹⁴ In video recording of a 2019 Eaglexit event, Commissioner Trotter states that he has four children in Eagle River. Under the Ethics Act, the interests of a public officer's immediate family members are treated the same as interests held directly by a public officer. Under AS 39.52.960(11), "immediate family member" means a person's spouse, cohabitating conjugal partner, child (including step-child or adoptive child), parent, sibling, grandparent, aunt, uncle, mother-in-law, or father-in-law.

CONFIDENTIAL

Average residential property values in Eagle River are estimated at \$476,000–\$509,000.¹⁵ The financial interest to be affected, and that Eaglexit is attempting to affect, presents as substantial. We have reviewed prior guidance where, for instance, an undeveloped \$10,000 lot was deemed insignificant. There, we relied heavily on the minimal value of that land and its remoteness from the affected territory.¹⁶ Here, your interests are neither minimal nor remote: they are substantial and central to the area whose political and financial structure could change.

Although a different memo¹⁷ observed that a \$138,000 residence might not, by itself, constitute a significant financial interest when measured against a borough-wide assessed valuation of over \$1.09 billion, that dilution analysis does not translate to the circumstances here. Commissioner Wood's property is valued at approximately \$545,300 presently,¹⁸ and Eagle River's overall property value is approximately \$4.27 billion. However, that older memo involved a materially different factual and legal context from the present Eaglexit detachment matter. That 2006 memo involved a commissioner's residential property in Ketchikan Gateway Borough, a vastly larger and more diffuse territory of over 4,700 square miles. It also concerned the consolidation of the entire borough and city into one larger governmental entity.

The Eaglexit detachment petition directly targets the area in which the commissioners' homes are located, involves a much smaller geographic territory, and carries direct and foreseeable consequences for local taxation, services, governance, and property value. The factual distinctions alter the 2006 dilution rationale, making the property-interest conflict here substantially stronger than in that earlier memo.

Under Article X, Section 2(a)(2) of the LBC Bylaws, a commissioner may not participate in a proposal that "affects an area or territory in which the member resides or

¹⁵ "Eagle River, AK Housing Market: 2026 Home Prices & Trends," *Zillow* (Feb. 28, 2026), <https://www.zillow.com/home-values/38268/eagle-river-ak/> (last visited April 29, 2026); "Eagle River, AK Housing Market & Rental trends," *Realtor.com* (Apr. 2026), <https://www.realtor.com/local/market/alaska/anchorage-county/eagle-river> (last visited April 29, 2026).

¹⁶ We are not citing to the Memo here as it is confidential.

¹⁷ We are not citing to the Memo here as it is confidential.

¹⁸ The value of the interest being analyzed here is only that of your primary residence. For Ethics Act purposes, any other property in Eagle River owned by yourself or an immediate family member would be considered in addition to the value of your home.

CONFIDENTIAL

owns real property,” unless the conflict is “minor and inconsequential” under Section 2(b). The Bylaws expressly state that they apply “in addition to the standards established by the Ethics Act,” making clear that they function as a separate and independent set of recusal rules.¹⁹ In this matter, the Bylaws alone provide a sufficient basis for mandatory recusal, so an Ethics Act analysis is not required.²⁰

In this case, both the residency and the property-interest prohibitions in Section 2(a)(2) apply directly: the commissioners’ homes are located inside the very territory proposed for detachment. None of the examples of a waivable conflict—such as property remote from the affected area or an interest insignificant in relation to the size of the territory—apply to a residential property located within the core detachment zone of a relatively small, discrete community. To the contrary, the commissioners’ interests here lie at the core of the proposed detachment and are materially affected by its outcome.

In summary, Article X, Section 2(a)(2) of the LBC Bylaws independently bars participation because the proposal directly affects the area in which the commissioners reside and own real property. The conflict cannot be characterized as “minor and inconsequential,” and none of the Bylaws’ waiver criteria are met. Accordingly, participation is prohibited under the Bylaws, and a separate Ethics Act analysis is not required.

D. Personal interests in advocacy groups under Article X, Section 2(a)(3) and the Ethics Act.

Commissioner Trotter also has a separate and independently disqualifying conflict under Article X, Section 2(a)(3), which prohibits participation when a commissioner has a personal or financial interest in an organization advocating for the matter before the Commission.

¹⁹ LBC Bylaws, Article X, Section 2(e). Moreover, the Bylaws add additional layers of analysis, requiring that a waiver can only occur for a minor and inconsequential conflict that also does not interfere with the full and faithful discharge of duties of the commissioner. The Bylaws definition of “recusal” also contemplates withdrawal based upon a conflict of interest, personal prejudice, or “some other good reason why the member should not sit in the interest of fairness.” Article X, Section 2(e).

²⁰ We take no position on whether the Bylaws are, in fact, more strict than the Ethics Act under these circumstances. We do, however, find it particularly persuasive that the Bylaws expressly contemplate a commissioner voting on a proposal affecting the area in which that commissioner lives.

CONFIDENTIAL

Eaglexit is directly advocating both the repeal of 3 AAC 110.270(e) and the forthcoming detachment petition. As an entity, it is a specific advocacy group. Article X, Section 2(a)(3) of the LBC Bylaws, prohibits participation when a commissioner “has a personal or financial interest in a party to the proceeding or an organization that advocates a position with respect to the proceeding.” Section 2(a)(3) does not draw a distinction between compensated and uncompensated involvement; it expressly includes personal interests, as well as financial interests, in organizations that have advocated on the specific matter before the Commission. Here, Commissioner Trotter publicly addressed the Eaglexit group, encouraged its organizational efforts, and offered support through the Justice Foundation—an organization with which he remains personally affiliated²¹ and through which Eaglexit received services. Eaglexit is not a diffuse community sentiment or an organization that is interested incidentally, or an organization with multiple goals outside of the petition. It is a focused, specific advocacy organization. The bylaws treat such prior affiliation as a significant concern.²²

Because Eaglexit is the petitioner and a focused advocacy organization—not a diffuse community sentiment or a position taken by an entity with an array of goals or objectives outside of the specific matter at issue—this conflict is direct and cannot be deemed minor or inconsequential. It therefore independently bars Commissioner Trotter from participating in both the regulation-repeal matter and the detachment petition.

²¹ AS 39.52.960(18); Commissioner Trotter’s disclosure states that he is general counsel for the Justice Foundation. And a video recording from 2019 shows that Commissioner Trotter previously addressed the Eaglexit group publicly, encouraged organizational steps, and offered support through the Justice Foundation. According to Commissioner Trotter’s disclosure, Eaglexit did utilize the Justice Foundation, making them a former client of the organization. Although Commissioner Trotter emphasizes that he was not paid for this work nor was the Justice Foundation, Eaglexit still received services from Justice Foundation, an organization in which Commissioner Trotter has a personal interest. Thus, Commissioner Trotter showed early support for Eaglexit in its formation, is additionally connected to Eaglexit through the organization’s use of the Justice Foundation and gave supportive comments at an Eaglexit meeting after the advocacy group had already formed. These influences combine to form a personal interest in Eaglexit, and this interest exists in addition to Mr. Trotter’s financial interest in a petition as an Eagle River homeowner.

²² See *supra* note 19.

CONFIDENTIAL

E. Commissioner Wood may participate in the regulation repeal but not a petition; Commissioner Trotter may not participate in either.

Although the request to repeal 3 AAC 110.270(e) originates from the same advocacy organization preparing the Eaglexit detachment petition, the bylaws distinguish between a statewide regulation of general application and a petition affecting a specific “area or territory.” Under Article X, Section 2(a)(2), mandatory recusal applies only when the proposal before the Commission concerns the specific territory in which a commissioner resides or owns real property. The repeal of 3 AAC 110.270(e) does not itself target Eagle River or any other discrete community; it is a rule of statewide applicability.²³ Accordingly, Chair Wood’s property-based conflict is not substantial at the regulation-repeal stage, and he may participate in that matter. By contrast, Commissioner Trotter is barred from participating even at the regulation stage under Article X, Section 2(a)(3), because he has a personal interest in, and prior affiliation with, an organization—Eaglexit—that is directly advocating the repeal. When the detachment petition is filed, however, both commissioners must be recused under Article X, Section 2(a)(2), because that proposal directly affects the Eagle River territory in which they own and reside on real property. Thus, Wood may participate only in the regulation-repeal matter, while Trotter must be recused from both the regulation repeal and the detachment petition.

Appropriate disclosures and abstentions are important, in part because violations may render commission actions voidable.²⁴

²³ Under both the Ethics Act and the LBC Bylaws, Chair Wood’s interest as a homeowner remains insubstantial in relation to the subject of the repeal petition because the repeal of 3 AAC 110.270(e) concerns a statewide regulatory standard, not a proposal directed at the Eagle River area or any other specific community. Article X, Section 2(a)(2) of the Bylaws is triggered only when the proposal before the Commission “affects an area or territory” in which a commissioner resides or owns real property. A regulation of general applicability, by definition, applies uniformly across the state and does not alter the legal, political, or economic conditions of any one geographic area. Its effects extend broadly across all potential detachment-plus-incorporation scenarios and therefore do not operate on Eagle River as a distinct territory. For similar reasons, the Ethics Act treats Wood’s interest as insignificant at the regulation stage because the impact of the repeal is diffuse, statewide, and not directed at his property in any particularized manner.

²⁴ AS 39.52.430.

CONFIDENTIAL

CONCLUSION

With respect to the request to repeal 3 AAC 110.270(e), Chair Wood does not have a conflict under Article X, Section 2(a)(2), because the repeal is a statewide regulation of general applicability and is not a petition or proposal that uniquely “affects an area or territory” in which he resides or owns real property. He also has no personal or organizational affiliation with Eaglexit that would constitute a conflict under Section 2(a)(3). The conflict-waiver standard in Section 2(b) does not apply because no conflict is triggered. Accordingly, Chair Wood may participate in the regulation-repeal matter.

Commissioner Trotter, however, must be recused from the regulation-repeal matter under Article X, Section 2(a)(3), due to his personal affiliation with the Justice Foundation and his past assistance to Eaglexit, an organization actively advocating for the repeal. This affiliation is not “insignificant” within the meaning of Section 2(b)(3), and therefore no waiver is available. Recusal includes all participation, including deliberations, procedural involvement, recommendations, and voting, as defined in Article X, Section 2(e).

When the Eaglexit detachment petition is filed, both you and Commissioner Trotter must be recused under Article X, Section 2(a)(2). Each commissioner resides on and owns real property within the precise territory proposed for detachment, and detachment will directly and foreseeably affect taxation, governance, services, and property valuations. These property-based conflicts are substantial, do not fall within any of the “minor and inconsequential” examples in Section 2(b), and cannot be waived.

Under Article X, Section 2(c), the procedures for addressing these conflicts are those set out in AS 39.52.220, 39.52.230, and 39.52.240, and the related regulations. Your request seeks an advisory determination under AS 39.52.240. Based on the facts disclosed, this advisory opinion concludes that (1) Chair Wood may participate in the regulation-repeal matter but must be recused from the detachment petition, and (2) Commissioner Trotter must be recused from both matters. Following disclosure, the Commission or its chair must formally recognize these conflicts under the procedures required by Section 2(c) and AS 39.52.220.

The remaining commissioners, assuming they do not have substantial conflicts under Article X, must independently comply with these provisions and may proceed with the matters without your participation.

If you have any questions regarding this advice, please do not hesitate to contact us. This determination is based on the facts disclosed. A public officer who acts in

CONFIDENTIAL

accordance with an advisory opinion after full and accurate disclosure is protected under AS 39.52.420(d). The Attorney General may reconsider, revoke, or modify this opinion upon a showing that material facts were omitted or misstated.

This document is confidential, and that confidentiality belongs to Chair Wood and Commissioner Trotter.

Sincerely,

CORI MILLS
ACTING ATTORNEY GENERAL

By: /s/ Matthew P. Stinson
Matthew P. Stinson
Assistant Attorney General

MPS/ajh