

HOUSE BILL NO. 265

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE STOLTZE

Introduced: 5/16/07

Referred: Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act making disbursements by the Alaska Bar Association subject to legislative
2 appropriation as program receipts under the Fiscal Procedures Act and relating to the
3 Alaska Bar Association's budget; relating to employees of the Alaska Bar Association;
4 establishing the lawyers' fund for client protection in the general fund; and providing
5 for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 08.08.080(c) is amended to read:

8 (c) Consistent with this chapter and the Alaska Bar Rules, the board may

9 (1) provide for employees of the Alaska Bar, the time, place and
10 method of their selection, and their respective powers, duties, terms of office, and
11 compensation; **an employee hired under this paragraph is not a state employee for**
12 **any purpose;**

13 (2) establish, collect, deposit, invest, and, **subject to appropriation by**

1 **the legislature**, disburse membership and admission fees, penalties, and other funds;

2 (3) sue in the name of the Alaska Bar in a court of competent
3 jurisdiction to enjoin a person from doing an act constituting a violation of this
4 chapter;

5 (4) provide for all other matters affecting in any way the organization
6 and functioning of the Alaska Bar.

7 * **Sec. 2.** AS 08.08 is amended by adding a new section to article 2 to read:

8 **Sec. 08.08.105. Annual budget.** The Board of Governors shall submit a
9 budget for the Alaska Bar Association for each fiscal year to the administrative
10 director of the Alaska Court System. The administrative director of the Alaska Court
11 System shall annually submit that estimated budget to the governor for information
12 purposes in the preparation of the executive budget.

13 * **Sec. 3.** AS 08.08 is amended by adding a new section to article 5 read:

14 **Sec. 08.08.255. Lawyers' fund for client protection.** (a) The lawyers' fund
15 for client protection is established in the general fund to compensate individuals who
16 have lost money, property, or other things of value as the result of the dishonest
17 conduct of a lawyer.

18 (b) The legislature may appropriate money to the fund from Alaska Bar
19 Association member dues, income earned on investment of the money in the fund, and
20 all money collected by the Alaska Bar Association under its subrogation rights of the
21 fund's applicants claims. Money in the fund does not lapse. The Alaska Bar
22 Association may use the money in the fund to pay for claims against the fund for
23 hearing and legal expenses directly related to fund operations and claims. Nothing in
24 this section creates a dedicated fund.

25 (c) A claim against the fund must meet the requirements and follow the
26 procedure established in the Alaska Bar Rules. A claim may not be made for a loss
27 that is covered by insurance or bond.

28 * **Sec. 4.** AS 37.05.146(c) is amended by adding a new paragraph to read:

29 (82) receipts of the Alaska Bar Association (AS 08.08.080(c)(2)).

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

1 APPLICABILITY. A claim filed before the effective date of sec. 3 of this Act against
2 the Alaska Bar Association's lawyers' fund for client protection shall be considered a claim
3 against the lawyers' fund for client protection established under AS 08.08.255, enacted by sec.
4 3 of this Act.

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

7 TRANSITIONAL PROVISIONS. The Alaska Bar Association shall transfer the
8 balance of the lawyers' fund for client protection existing before the effective date of this
9 section to the lawyers' fund for client protection established under AS 08.08.255, enacted by
10 sec. 3 of this Act.

11 * **Sec. 7.** This Act takes effect July 1, 2010.