

Introduced: 2/11/75  
Referred: Health, Education &  
Social Services and Finance

BY THE RULES COMMITTEE  
BY REQUEST OF THE INTERIM  
COMMITTEE ON HIGHER EDUCATION

1 IN THE HOUSE

2 *CS* HOUSE BILL NO. 143 *am S*  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of postsecondary  
7 educational institutions; and providing for an  
8 effective date."

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

10 \* Section 1. AS 14 is amended by adding a new chapter to read:

11 CHAPTER 48. REGULATION OF POSTSECONDARY  
12 EDUCATIONAL INSTITUTIONS.

13 Sec. 14.48.010. PURPOSES. It is the purpose of this chapter to  
14 provide for the protection, education, and welfare of the citizens of  
15 the state, its postsecondary educational institutions, and its students,  
16 by

17 (1) establishing minimum standards concerning quality of  
18 education, ethical and business practices, health and safety, and fiscal  
19 responsibility, to protect against substandard, transient, unethical,  
20 deceptive, or fraudulent institutions and practices;

21 (2) prohibiting the granting of false or misleading educa-  
22 tional credentials;

23 (3) regulating the use of academic terminology in designating  
24 educational institutions;

25 (4) prohibiting misleading literature, advertising, solici-  
26 tation, or representation by educational institutions or their agents;

27 (5) providing for the preservation of essential academic  
28 records; and

29 (6) providing certain rights and remedies to the public and

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1 the commission necessary to carry out the purposes of this chapter.

2 Sec. 14.48.020. AUTHORIZATION AND PERMITS REQUIRED. No person  
3 may

4 (1) operate a postsecondary educational institution in the  
5 state unless the institution has a valid authorization to operate issued  
6 under this chapter or is exempt from the provisions of this chapter;

7 (2) offer itself or through an agent enrollment or instruc-  
8 tion in, or the granting of educational credentials from, a postsecondary  
9 educational institution, whether the institution is in or outside the  
10 state, unless the agent is a natural person and has a currently valid  
11 agent's permit issued under this chapter or is exempt from the provi-  
12 sions of this chapter;

13 (3) accept contracts or enrollment applications of prospective  
14 students from an agent who does not have a current permit as required  
15 by this chapter; however, the commission may promulgate regulations to  
16 permit the rendering of legitimate public information services without  
17 the permit;

18 (4) instruct or educate, or offer to instruct or educate,  
19 enroll or offer to enroll, contract or offer to contract or award an  
20 educational credential, or contract with an institution or person to  
21 do so, in or outside the state, unless that person is in compliance  
22 with the minimum standards set out in sec. 60 of this chapter, the  
23 criteria established by the commission under sec. 50(1) of this chapter,  
24 and the regulations promulgated by the commission under sec. 50(7) of  
25 this chapter;

26 (5) use the term "university" or "college" without authoriza-  
27 tion to do so from the commission;

28 (6) grant, or offer to grant, educational credentials, without  
29 authorization to do so from the commission.

1           Sec. 14.48.030. EXEMPTIONS. The following educational programs or  
2 services and educational institutions are exempt from the provisions of  
3 this chapter:

4           (1) institutions exclusively offering instruction at one,  
5 some or all levels from pre-school through grade 12;

6           (2) education sponsored by a bona fide trade, business,  
7 labor, professional, or fraternal association or organization, recog-  
8 nized by the commission and conducted solely for that association's or  
9 organization's membership, or offered on a no-fee basis;

10           (3) education solely avocational or recreational in nature,  
11 as determined by the commission, and institutions offering avocational  
12 or recreational education exclusively as determined by the commission;

13           (4) education offered by charitable organizations, recognized  
14 by the commission, provided the education is not advertised or promoted  
15 as leading toward educational credentials;

16           (5) postsecondary educational institutions established,  
17 operated, and governed by the United States, the state or its political  
18 subdivisions, as determined by the commission.

19           Sec. 14.48.040. COMMISSION TO ADMINISTER CHAPTER. The Alaska  
20 Commission on Postsecondary Education shall administer this chapter  
21 and may hire necessary personnel. The commission may obtain from  
22 departments, commissions and other state agencies information needed  
23 to carry out the provisions of this chapter.

24           Sec. 14.48.050. POWERS AND DUTIES OF COMMISSION. The commission  
25 shall

26           (1) establish minimum criteria consistent with sec. 60 of  
27 this chapter including quality of education, ethical and business  
28 practices, health and safety and fiscal responsibility which applicants  
29 for authorization to operate, or for an agent's permit, must meet before

1 the authorization or permit is issued;

2 (2) receive, investigate and act upon applications for  
3 authorization to operate postsecondary educational institutions and  
4 applications for agent's permits;

5 (3) maintain a list of postsecondary educational institutions  
6 and agents authorized to operate in the state under this chapter;

7 (4) keep current and make available as public information the  
8 list of institutions and agents;

9 (5) enter into interstate reciprocity agreements with similar  
10 agencies in other states, if in the judgment of the commission the  
11 agreements will be helpful in carrying out the purposes of this chapter;

12 (6) receive and maintain as a permanent file, copies of  
13 academic records maintained in accordance with sec. 60(b)(6) of this  
14 chapter;

15 (7) promulgate regulations and procedures necessary or appro-  
16 priate for the conduct of its work and the implementation of this chapter  
17 under the Administrative Procedure Act (AS 44.62);

18 (8) investigate on its own initiative or in response to a  
19 complaint lodged with it, persons subject to, or reasonably believed by  
20 the commission to be subject to, the jurisdiction of this chapter; and  
21 in connection with the investigation subpoena persons, books, records,  
22 or documents related to the investigation; require answers in writing  
23 under oath to questions propounded by the commission and administer  
24 oaths or affirmations to persons in connection with the investigation;  
25 and, for the purpose of examination at all reasonable times, shall have  
26 access to, and the right to copy, documentary evidence of a corporation  
27 that is under investigation or being proceeded against;

28 (9) exercise other necessary powers and duties in conformity  
29 with the provisions of this chapter which, in the judgment of the

1 commission are necessary to carry out the provisions of this chapter.

2 Sec. 14.48.060. MINIMUM STANDARDS. (a) In establishing the  
3 criteria required by sec. 50(1) of this chapter, the commission shall  
4 require compliance with the minimum standards set out in (b) of this  
5 section.

6 (b) A postsecondary educational institution must be maintained and  
7 operated, or, in the case of a new institution must demonstrate that it  
8 can be maintained and operated so that

9 (1) the quality and content of each course or program of  
10 instruction, training, or study are such as may reasonably and adequately  
11 achieve the stated objective for which the course or program is offered;

12 (2) the institution has adequate space, equipment, instruc-  
13 tional materials, and personnel to provide education of good quality;

14 (3) the education and experience qualifications of directors,  
15 administrators, supervisors, and instructors are such as may reasonably  
16 insure that the students will receive education consistent with the  
17 objectives of the course or program of study;

18 (4) the institution provides a catalog or brochure containing  
19 information describing the programs offered, program objectives, length  
20 of program, schedule of tuition, fees, and all other charges and expenses  
21 necessary for completion of the course of study, cancellation and refund  
22 policies, and other material facts concerning the institution and the  
23 program or course of instruction which are reasonably likely to affect  
24 the decision of the student to enroll, together with any other dis-  
25 closures specified by the commission by regulation; and that this infor-  
26 mation is provided to prospective students before enrollment;

27 (5) upon satisfactory completion of training, the student is  
28 given appropriate educational credentials by the institution, indicating  
29 that the course of instruction or study has been satisfactorily completed

1 by the student;

2 (6) adequate records are maintained by the institution to  
3 show attendance, progress, or grades, and that satisfactory standards  
4 are enforced relating to attendance, progress and performance;

5 (7) the institution is maintained and operated in compliance  
6 with all pertinent ordinances and laws relating to the safety and health  
7 of persons upon the premises of the institution;

8 (8) the institution is financially sound and capable of  
9 fulfilling its commitments to students;

10 (9) neither the institution nor its agents engage in adver-  
11 tising, sales, collection, credit, or other practices which are false,  
12 deceptive, misleading, or unfair;

13 (10) the chief executive officer, trustees, directors, owners,  
14 administrators, supervisors, staff, and instructors of the institution  
15 are of good reputation and character and have not been convicted of a  
16 violation of secs. 20 or 150 of this chapter or AS 45.50.471 - 45.50.551  
17 or a comparable law in another state or province;

18 (11) the student housing owned, maintained, or approved by the  
19 institution is appropriate, safe, and adequate; and

20 (12) the institution has a fair and equitable cancellation and  
21 refund policy.

22 (c) Accreditation by national or regional accrediting agencies  
23 recognized by the commission may be accepted by the commission as  
24 evidence of compliance with the minimum standards established by this  
25 section and the criteria established under sec. 50(1) of this chapter.  
26 However, the commission may require further evidence and make further  
27 investigation as may be necessary. Accreditation by a recognized,  
28 specialized accrediting agency may be accepted as evidence of compliance  
29 only as to the portion or program of an institution accredited by the

1 accrediting agency if the institution as a whole is not accredited.

2 Sec. 14.48.070. AUTHORIZATION TO OPERATE. (a) Each postsecondary  
3 educational institution desiring to operate in this state shall apply to  
4 the commission, upon forms provided by the commission. The application  
5 shall be accompanied by a catalog or brochure published, or proposed to  
6 be published by the institution, containing the information specified in  
7 sec. 60(b)(4) of this chapter. The application shall also be accompanied  
8 by evidence of a surety bond as required by sec. 100 of this chapter, and  
9 by the required fees.

10 (b) Following review of the application and after necessary investi-  
11 gation of the applicant the commission shall either grant or deny  
12 authorization to operate to the applicant. A grant of authorization to  
13 operate may be on those terms and conditions the commission may pre-  
14 scribe.

15 (c) The authorization to operate shall be in a form approved by  
16 the commission and shall include

17 (1) the date of issuance, effective date, and term of  
18 approval;

19 (2) the name and address of the institution;

20 (3) the authority for approval;

21 (4) any condition or limitation of the authorization, as  
22 considered necessary by the commission.

23 (d) The term for which an initial authorization is given may not  
24 exceed two years, and may be issued for a lesser period of time. A  
25 subsequent authorization may be issued for a period up to five years.

26 (e) The authorization to operate shall be issued to the owner,  
27 or governing body, of the applicant institution, and shall be nontrans-  
28 ferable. In the event of a change in ownership or management of the  
29 institution, a new owner or manager, or governing body, must, within

1 30 days after the change in ownership is effective, apply for a new  
2 authorization to operate, and if the new application is not made the  
3 institution's authorization to operate shall terminate. Application  
4 for a new authorization to operate by reason of change in ownership of  
5 the institution is considered an application for renewal under (f) of  
6 this section.

7 (f) At least 60 days before the expiration of an authorization to  
8 operate, the institution shall complete and file with the commission an  
9 application form for renewal of its authorization to operate. The re-  
10 newal application shall be reviewed and acted upon as provided for an  
11 original application.

12 (g) An institution not yet in operation when its application for  
13 authorization to operate is filed may not begin operation until receipt  
14 of authorization. An institution in operation when its application for  
15 authorization to operate is filed may continue operation until its  
16 application is acted upon by the commission. The commission may issue  
17 provisional authorization to operate, containing limitations as to  
18 time, procedures, functions, or other conditions as the commission  
19 considers necessary.

20 Sec. 14.48.080. AGENT'S PERMIT. (a) A person desiring to solicit  
21 or perform the services of an agent, in this state, shall apply to the  
22 commission upon forms provided by the commission. The application shall  
23 be accompanied by evidence of the good reputation and character of the  
24 applicant and shall state the institution which the applicant intends to  
25 represent. An agent representing more than one institution must obtain  
26 a separate agent's permit for each institution represented. However,  
27 when an agent represents institutions having a common ownership, only  
28 one agent's permit is required. If an institution which the applicant  
29 intends to represent does not have authorization to operate in this

1 state, the application shall be accompanied by the information required  
2 of institutions making application for authorization. The application  
3 for an agent's permit shall also be accompanied by evidence of a surety  
4 bond as required by sec. 100 of this chapter, and by payment of the  
5 required fees.

6 (b) An applicant for an agent's permit shall be an individual of  
7 good reputation and character and shall represent only a postsecondary  
8 educational institution or institutions which meet the minimum standards  
9 established in this section and the criteria established under sec. 50(1)  
10 of this chapter.

11 (c) Following review of the application and any further information  
12 submitted by the applicant, and investigation of the applicant as the  
13 commission considers necessary, the commission shall either grant or deny  
14 an agent's permit to the applicant.

15 (d) The agent's permit shall be in a form approved by the com-  
16 mission and shall include

- 17 (1) the date of issuance, effective date, and term;  
18 (2) the correct name and address of the agent;  
19 (3) the institution or institutions which the agent is  
20 authorized to represent.

21 (e) The term for which an agent's permit is issued may not extend  
22 for more than two years, and may be issued for a lesser period of time.

23 (f) At least 60 days before the expiration of an agent's permit,  
24 the agent shall complete and file with the commission an application form  
25 for renewal. The renewal application shall be reviewed and acted upon  
26 as provided for an original application.

27 Sec. 14.48.090. FEES. (a) The following fees shall accompany an  
28 application for an authorization to operate or an application for an  
29 agent's permit and shall be collected by the commission:

1	(1) authorization to operate	\$100
2	(2) renewal for authorization to operate	\$100
3	(3) an agent's permit	\$ 50
4	(4) renewal for an agent's permit	\$ 50

5 (b) Fees collected under this chapter shall be deposited in the  
6 general fund.

7 Sec. 14.48.100. BONDS. (a) At the time application is made for  
8 authorization to operate, or for renewal of an authorization to operate  
9 the commission may require the postsecondary educational institution to  
10 file a surety bond in the amount determined by the commission. The  
11 amount shall be determined by the number of students the institution  
12 seeks to enroll. The amount of the surety bond shall be re-examined  
13 by the commission upon each renewal of the authorization to operate to  
14 determine if a larger or smaller bond would be appropriate to ensure  
15 adequate protection for the students or enrollees, or their parents or  
16 guardians, or classes thereof. The bond shall be executed by the  
17 applicant as principal and by a surety company qualified and authorized  
18 to do business in this state and shall be conditioned to provide  
19 indemnification to any student or enrollee, or his parent or guardian,  
20 or class thereof, determined to have suffered loss or damage as a  
21 result of an act or practice which is a violation of this chapter by  
22 the postsecondary educational institution and that the bonding company  
23 shall pay a final nonappealable order of the commission or judgment of  
24 a court of this state having jurisdiction, upon receipt of written  
25 notification of the order or judgment. The aggregate liability of the  
26 surety for the bond of the institution or agent involved in the order  
27 or judgment may not, in any event, exceed the amount of the bond.

28 (b) An application for an agent's permit shall be accompanied by  
29 a surety bond in the minimum amount of \$10,000, or a larger amount if

1 the commission determines that a larger amount is necessary for the  
2 protection of the students or enrollees, or their parents or guardians,  
3 or classes thereof, or because the bond should be increased to better  
4 reflect an institution's volume of business in the state. The bond  
5 shall be executed by the applicant as principal and by a surety company  
6 qualified and authorized to do business in this state. The bond shall  
7 be conditioned to provide indemnification to any student, enrollee, or  
8 his or her parents or guardian, or class thereof, determined to have  
9 suffered loss or damage as a result of an act or practice which is a  
10 violation of this chapter by the agent.

11 (c) The surety bond to be filed under this section shall cover  
12 the period of the authorization to operate or the agent's permit, as  
13 appropriate, except when a surety is released as provided in this sub-  
14 section. A surety on a bond filed under this section may be released  
15 from that bond after the surety serves written notice of the release  
16 to the commission and to the bonded agent or institution 45 days before  
17 the release. However, the release does not discharge or otherwise  
18 affect a claim filed by a student or enrollee, or his parent or  
19 guardian, or class thereof, before or after the release for loss or  
20 damage resulting from an act or practice which is a violation of this  
21 chapter alleged to have occurred while the bond was in effect or for  
22 an institution's ceasing operations during the term for which tuition  
23 has been paid while the bond was in force.

24 (d) Authorization for an institution to operate and an agent's  
25 permit shall be suspended by operation of law when the institution or  
26 agent is no longer covered by a surety bond as required by this section.  
27 However, the commission shall give the institution or agent, or both,  
28 at least 30 days written notice before the release of the surety, to the  
29 effect that the authorization or permit shall be suspended by operation

1 of law until another surety bond is filed in the same manner as, and  
2 in a like amount to, the bond being terminated.

3 Sec. 14.48.110. DENIAL. If the commission, upon review of an  
4 application for authorization to operate, or an application for an agent's  
5 permit determines that the application should be denied, the commission  
6 shall notify the applicant, setting out the reasons in writing. The  
7 Administrative Procedure Act (AS 44.62) governs the review of a denial  
8 under this section.

9 Sec. 14.48.120. REVOCATION. An authorization to operate or an  
10 agent's permit may be revoked or conditioned if the commission has  
11 reasonable cause to believe that the holder of the authorization or  
12 permit is violating or has violated this chapter or AS 45.50.471 or  
13 regulations promulgated under this chapter or AS 45.50.491. The  
14 Administrative Procedure Act (AS 44.62) governs the procedure for a  
15 revocation, review of a revocation, or other action under this section.

16 Sec. 14.48.130. COMPLAINTS. (a) A person claiming damage or loss  
17 as a result of an act or practice by a postsecondary educational insti-  
18 tution or its agent, or both, which is a violation of this chapter or of  
19 the regulations promulgated under this chapter may file with the  
20 commission a complaint against the institution or against its agent or  
21 both. The complaint shall set out the alleged violation and shall  
22 contain other information as may be required by the commission. A  
23 complaint may also be filed by the commission on its own motion or the  
24 attorney general. A complainant may file with the commission as a  
25 representative of a class of complainants.

26 (b) The commission shall investigate the complaint and may attempt  
27 to effect a settlement by persuasion and conciliation. The commission  
28 may consider a complaint after 30 days written notice by registered mail  
29 to the institution or agent, or both, giving notice of a time and place

1 for hearing on the complaint. The hearing shall be conducted in ac-  
2 cordance with the Administrative Procedure Act (AS 44.62).

3 (c) If, upon the evidence at a hearing, the commission finds that  
4 a postsecondary educational institution or its agent, or both, has  
5 engaged in or is engaging in, an act or practice which violates this  
6 chapter or the regulations promulgated under this chapter the commission  
7 shall serve upon the institution or agent or both, an order requiring  
8 the institution or agent or both to cease and desist from the act or  
9 practice. If the commission finds that the complainant, or class of  
10 complainants, has suffered loss or damage as a result of the act or  
11 practice, the commission may also award the complainant, or class of  
12 complainants, full or partial restitution for the damage or loss and  
13 may impose the penalties provided for in sec. 180 of this chapter. The  
14 commission may also, based on its own investigation and the evidence  
15 adduced at the hearing, begin an action to revoke an institution's  
16 authorization to operate or an agent's permit.

17 Sec. 14.48.140. JUDICIAL REVIEW. A final administrative order  
18 issued by the commission is subject to judicial review under the  
19 Administrative Procedure Act (AS 44.62.560 - 44.62.570).

20 Sec. 14.48.150. PRESERVATION OF RECORDS. (a) If a postsecondary  
21 educational institution proposes to discontinue its operation, the  
22 chief administrative officer of the institution shall file with the  
23 commission the original or legible true copies of academic records of  
24 the institution as specified by the commission. The records shall  
25 include that academic information customarily required by colleges when  
26 considering students for transfer or advanced study and the academic  
27 record of each former student.

28 (b) If it appears to the commission that records of an institu-  
29 tion discontinuing its operations are in danger of being destroyed or

1 otherwise made unavailable to the commission, the commission may seize  
2 the records, under an order of the superior court. The commission  
3 shall maintain a permanent file of records coming into its possession  
4 under this section.

5 Sec. 14.48.160. ENFORCEABILITY OF NOTES AND CONTRACTS. (a) If  
6 a person to whom educational services are to be furnished by a post-  
7 secondary educational institution is a resident of this state at the  
8 time a contract relating to payment for the services, or a note,  
9 instrument, or other evidence of indebtedness relating to the services,  
10 is entered into, the provisions of this section govern the rights of  
11 the parties to the contract or evidence of indebtedness. The following  
12 agreements or provisions of an agreement entered into in connection with  
13 the contract or the giving of evidence of indebtedness are invalid:

14 (1) that the law of another state shall apply;

15 (2) that the maker or person liable on the contract or  
16 evidence of indebtedness consents to the jurisdiction of another state;

17 (3) that another person is authorized to confess judgment on  
18 the contract or evidence of indebtedness;

19 (4) that venue is fixed in a particular place.

20 (b) No note, instrument or other evidence of indebtedness, or  
21 contract relating to payment for education or educational services is  
22 enforceable in the courts of this state by (1) a postsecondary educa-  
23 tional institution operating in this state unless the institution has  
24 authorization to operate under this chapter, or (2) a postsecondary  
25 educational institution having an agent in this state unless the agent  
26 had an agent's permit issued under this chapter authorizing the enrolling  
27 of or the seeking to enroll a person for educational services.

28 (c) A lending agency extending credit or loaning money to a person  
29 for tuition, fees, or other charges of a postsecondary educational

1 institution for educational or other services or facilities to be  
2 rendered by the institution, shall conspicuously mark "student loan" on  
3 the face of a note, instrument, or other evidence of indebtedness taken  
4 in connection with the loan or extension of credit. If the lending  
5 agency fails to do so, it is liable for loss or damage suffered by a  
6 subsequent assignee, transferee, or holder of the evidence of indebted-  
7 ness because of the absence of the notation. Notwithstanding the  
8 presence or absence of the notation, and notwithstanding an agreement to  
9 the contrary, the lending agency making the loan or extending the credit,  
10 and a transferee, assignee, or holder of the evidence of indebtedness is  
11 subject to all defenses and claims which could be asserted against the  
12 postsecondary educational institution which was to render the services  
13 or facilities, by any party to the evidence of indebtedness or by the  
14 person to whom the services or facilities were to be rendered, up to  
15 the amount remaining to be paid. For purposes of this section, "lending  
16 agency" means postsecondary educational institution, or a person  
17 controlling, controlled by, or held in common ownership with, a post-  
18 secondary educational institution, or regularly loaning money to, or to  
19 students of, a postsecondary educational institution.

20 Sec. 14.48.170. JURISDICTION. A postsecondary educational  
21 institution that is not exempt from the provisions of this chapter,  
22 whether or not a resident of, or having a place of business in, this  
23 state, which instructs or educates, or offers to instruct or educate,  
24 enrolls or offers to enroll, contracts or offers to contract, to provide  
25 instructional or educational services in this state, whether the  
26 instruction or services are provided in person or by correspondence,  
27 to a resident of this state, or which offers to award or awards educa-  
28 tional credentials to a person in or resident of this state, submits  
29 the institution, and, if a natural person his personal representative,

1 to the jurisdiction of the courts of this state concerning a cause of  
2 action arising from these activities and for the purpose of enforce-  
3 ment of this chapter by injunction under sec. 180 of this chapter.

4 Sec. 14.48.180. ENFORCEMENT: INJUNCTION. (a) The attorney  
5 general at the request of the commission or on his own motion, may bring  
6 an action or proceeding in a court of competent jurisdiction for the  
7 enforcement of the provisions of this chapter.

8 (b) When it appears to the commission that a person is, is about  
9 to, or has violated a provision of this chapter or a regulation promul-  
10 gated under this chapter, the commission may, on its own motion or on  
11 the written complaint of any person, file a petition for injunction in  
12 the name of the commission in a court of competent jurisdiction against  
13 the person for the purpose of enjoining the violation or for an order  
14 directing compliance with the provisions of this chapter. It is not  
15 necessary that the commission allege or prove that it has no adequate  
16 remedy at law. The right of injunction provided in this section is in  
17 addition to other legal remedies available to the commission and is in  
18 addition to the right of criminal prosecution. However, the commission  
19 may not obtain a temporary restraining order without notice to the  
20 person affected.

21 Sec. 14.48.190. VIOLATIONS: CIVIL PENALTY. A person who violates  
22 the provisions of sec. 20 of this chapter, or who fails or refuses to  
23 deposit with the commissioner the records required by sec. 150 of this  
24 chapter is subject to a civil penalty of not more than \$1,000 for each  
25 violation. Each day's failure to comply with the provisions of secs.  
26 20 and 150 of this chapter constitutes a separate violation. The  
27 fine may be imposed by the commission in an administrative proceeding  
28 or by a court of competent jurisdiction.

29 Sec. 14.48.200. CRIMINAL VIOLATION. A person who wilfully violates

1 the provisions of sec. 20 of this chapter or who wilfully fails or  
2 refuses to deposit with the commission the records required by sec. 150  
3 of this chapter is guilty of a misdemeanor and, upon conviction, is  
4 punishable by a fine of not more than \$1,000 or by imprisonment for not  
5 more than six months, or by both. Each day's failure to comply is a  
6 separate violation.

7 Sec. 14.48.210. DEFINITIONS. In this chapter

8 (1) "agent" means a person owning an interest in, employed by,  
9 or representing for remuneration, a postsecondary educational institution  
10 in or outside the state who, by solicitation made in the state,  
11 enrolls or seeks to enroll a resident of the state for education offered  
12 by the institution, or offers to award educational credentials, for re-  
13 munerated, on behalf of the institution, or who holds himself out to  
14 residents of the state as representing a postsecondary educational  
15 institution for any purpose;

16 (2) "agent's permit" means a nontransferable written autho-  
17 rization issued to a natural person by the commission which allows that  
18 person to solicit or enroll a resident of the state for education in a  
19 postsecondary educational institution.

20 (3) "authorization to operate" means approval of the commis-  
21 sion to operate or to contract to operate a postsecondary educational  
22 institution in the state;

23 (4) "commission" means the Alaska Commission on Postsecondary  
24 Education;

25 (5) "education" or "educational program or services" or like  
26 term includes any class, course, or program of training, instruction,  
27 or study;

28 (6) "educational credentials" means degrees, diplomas, cer-  
29 tificates, transcripts, reports, documents, or letters of designation,

1 marks, appellations, series of letters, numbers, or words which signify,  
2 purport, or are generally taken to signify enrollment, attendance,  
3 progress, or satisfactory completion of the requirements or prerequisites  
4 for education at a postsecondary educational institution;

5 (7) "owner" means

6 (A) a person having at least a 10 per cent interest  
7 in the stock of a postsecondary educational institution that is  
8 a corporation;

9 (B) a partner of a postsecondary educational institu-  
10 tion that is a partnership; or

11 (C) a person having a direct financial interest in,  
12 or title to, at least 10 per cent of the assets of a postsecondary  
13 educational institution which is neither a partnership nor a  
14 corporation; however,

15 (D) "owner" does not include a financial institution  
16 holding a mortgage on some or all of the real property or a  
17 security interest in some or all of the personal property of a  
18 postsecondary educational institution;

19 (8) "postsecondary educational institution" includes an  
20 academic, vocational, technical, home study, business, professional, or  
21 other school, college, or university, or other organization or person,  
22 offering educational credentials, or offering instruction or educational  
23 services primarily to persons who have completed or terminated their  
24 secondary education or who are beyond the age of compulsory high school  
25 attendance for attainment of educational, professional, or vocational  
26 objectives;

27 (9) "to grant" includes awarding, selling, conferring, or  
28 giving;

29 (10) "to offer" includes, in addition to its usual meanings,

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advertising, publicizing, soliciting, or encouraging persons directly or indirectly to perform the act described;

(11) "to operate a postsecondary institution" means to establish, or maintain a facility or location in the state where education is offered or given, or educational credentials are offered or granted, and includes contracting with any person, group, or entity to operate an educational institution.

\* Sec. 2. AS 44.62.330(a) is amended by adding a new paragraph to read:

(38) Alaska Commission on Postsecondary Education under AS 14.48 as to denial of applications and revocation of authorizations and permits.

\* Sec. 3. AS 14.47 is repealed.

\* Sec. 4. This Act takes effect immediately in accordance with AS 01.10-070(c).

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