

HB

338

HFIN

FILE

FISCAL NOTE

Bill Version: CSHB 338 (JUD)
 (H) Publish Date: 4/11/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Department of Corrections
 Title An Act relating to crimes involving computers, BRU Administration and Operations
access devices, other technology, identification documents. Component All
 Sponsor Rules Committee
 Requester Governor Component No. #0694

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	14.3	28.7	42.9	57.3	64.4	96.6
TOTAL OPERATING	14.3	28.7	42.9	57.3	64.4	96.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	14.3	28.7	42.9	57.3	64.4	96.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	14.3	28.7	42.9	57.3	64.4	96.6

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Candy Brower, Legislative Liaison Phone 465-3307
 Division Commissioner's Office Date/Time 2/22/00 9:17 AM
 Approved by Commissioner Margaret M. Pugh *Margaret M. Pugh* Date 2-22-00
 Agency Dept. of Corrections

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION
DEPARTMENT OF CORRECTIONS

BILL NO. HB 338
PAGE 2 of 2
DATE 2/22/00

If passed, this legislation would greatly enhance the ability to prosecute those who would use technology for harm. Cybertheft, theft of identity, theft of access cards and electronic transmission of child pornography are all targets of this bill. Technology is creating a new breed of criminal because of the ease with which someone with particular skill and knowledge can steal, disrupt and otherwise harm without detection. Law enforcement is not easy in these cases and the expertise and equipment required to keep pace with those who are perpetrating such crimes will be critical.

The Department of Corrections anticipates that the criminals prosecuted for these crimes will likely be new to the system. It is anticipated that the first year, there may be four convictions for C felonies resulting in a Suspended Imposition of Sentence of 24 months with 21 suspended for a period of 5 years. That would result in a period of confinement of 2 months for each individual. The fact that these would likely be first time offenders and not violent, they will likely serve their confinement in Community Residential Centers at a rate of \$59.61 per day. The first year fiscal impact would be approximately \$14 300.

It is anticipated that the numbers of criminals being prosecuted will increase each year as law enforcement becomes more adept at apprehending them. For FY 02, it is anticipated there may be six convictions with a similar sentencing for a total of \$21,500 plus one person from the previous year who violated his probation for an additional 6 months sentence with four months to serve totalling \$7,200. FY 02 would see a total fiscal cost of \$28,700.

FY 03 is estimated to have eight convictions using the same formula as above, that would result in \$28,600. In addition, it is expected that two of the previous ten would violate probation for a net result of six months each with four months to serve totalling 14,300. The total estimate for FY 03 is \$42,900.

FY 04 is estimated to reach ten convictions using the same formula as above, resulting in a cost of \$35,800. If probation violations occur, as expected, there would be an additional three inmates subject to additional time of approximately 4 months each for \$21,500. The total fiscal impact in FY 04 would be \$57,300.

If prosecutions and convictions continue to increase, we would anticipate 12 convictions in FY 05 at a resulting cost of \$42,900. If three probationers violate, the resulting cost would be \$21,500 for a total of \$64,400.

FY 06, if increases continue as expected, could result in 15 convictions for a total of \$53,700 plus four probation revocations at an average of 9 months each, 6 months to serve totalling 42,900. The total fiscal impact for FY 06 would be approximately \$96,600.

The increase in sentencing for probationers is a result of the possibility of re-offenders getting additional time for coming back before the court again. This fiscal note does not reflect costs of community supervision.

FISCAL NOTE

Bill Version: HB 338
 (H) Publish Date: 2/4/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date: _____
 Title: "An Act relating to crimes involving computers..."

Department Affected: Administration
 BRU: Legal and Advocacy Services
 Component: Public Defender Agency

Sponsor: Rules Committee
 Requestor: Governor

COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2 003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES	46.5	46.5	46.5	46.5	46.5	46.5
TRAVEL	3.5	3.5	3.5	3.5	3.5	3.5
CONTRACTUAL	26.3	26.3	26.3	26.3	26.3	26.3
SUPPLIES	1.9	1.9	1.9	1.9	1.9	1.9
EQUIPMENT	6.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	84.7	78.2	78.2	78.2	78.2	78.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	84.7	78.2	78.2	78.2	78.2	78.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	84.7	78.2	78.2	78.2	78.2	78.2

Estimate of any current year (FY 00) cost: \$ _____

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This bill amends current law and adds new statutes to enable prosecution of a wide variety of "Cybercrimes."

Prosecution and defense of Cybercrimes will require sophisticated technical expertise. The Public Defender Agency does not currently have staff who have the technical knowledge necessary to defend criminal cases that could be brought under this new legislation.

The Public Defender Agency will need to hire an Analyst Programmer I in order to consult with and train the attorneys appointed to defend these cases. The Analyst Programmer will be based in Anchorage. In addition to providing technical assistance on individual cases in Anchorage, the Analyst Programmer would also be responsible for training attorneys and investigators in all Public Defender Agency offices on technical issues in these cases. One-time equipment costs for computer equipment is also included in the first year.

Prepared by: Barbara Brink, Director
 Division: Public Defender Agency

Phone: (907) 264-4414
 Date: _____

Approved by Commissioner: Robert Poe Jr.
 Agency: Department of Administration

Phone: _____
 Date: 12/15/99

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FISCAL NOTE

Bill Version: HB 338

(H) Publish Date: 2/4/00

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Law
 Title "An Act relating to crimes involving computers, access devices, other technology, identification documents ..." BRU Criminal Division
 Component 1st Judicial Dist; 4th Judicial Dist; Criminal Appeals/Special Litigation
 Sponsor Rules Committee
 Requester Governor Component No. 2198;2201;2203

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	3.3	3.3	3.3	3.3	3.3	3.3
Contractual	6.7	6.7	6.7	6.7	6.7	6.7
Supplies						
Equipment	5.0	5.0	5.0	5.0	5.0	5.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	15.0	15.0	15.0	15.0	15.0	15.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	15.0	15.0	15.0	15.0	15.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	15.0	15.0	15.0	15.0	15.0	15.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill amends and expands the substantive criminal law to address the use of computers and other technology in the widespread perpetration of crimes. Child pornography, theft of personal information with the intent to defraud, theft of personal information resulting in damage to a person's financial reputation, deceptive business practices, "hacking" to get unauthorized information or introduce false information, introducing damaging viruses, eavesdropping on other peoples' voice or e-mail are all offenses where technology has offered new ways for criminals to victimize individuals. The amendments in this bill will update existing law to help law enforcement prosecute those who cause harm to others through the use of computers and other technology.

Prepared by: Joan M. Kasson *Joan M. Kasson*
 Division Attorney General's Office

Phone 465-5370

Date/Time 12/15/99, 8:37 AM

Approved by Commissioner *Bruce M. Botelho*
 Agency Department of Law

Date 12/15/99

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ANALYSIS CONTINUATION

Much of the bill expands on existing crimes already being prosecuted, and is not anticipated to cause increased workload. The new crimes defined in the bill are expected to result in approximately ten new prosecutions in the first year, with the number increasing in future years. These new white-collar cases will be handled by existing staff. Although no new personnel are believed to be necessary, other resources will be needed.

Investigation and prosecution of cybercrimes require that the prosecutor keep up with the constantly changing world of information technology. Those who use computers to commit crimes are very knowledgeable about technology, and usually have state-of-the-art equipment. Prosecutors must have the same or better knowledge and equipment as those who use the equipment for illegal purposes.

The Department of Law intends to have three of its prosecutors specialize in this technology driven area of law: one in Anchorage OSPA, and one each in the Juneau and Fairbanks district attorney's offices. These assistant district attorneys will need on-going training to stay ahead of the inventive ways people come up with to use technology to cause harm to others and to keep up with how law enforcement is responding in other jurisdictions. The department estimates \$10.0 per year will be spent on training, divided equally between the three components. \$5.0 per year is included to maintain state-of-the-art computer equipment, software, peripherals, and associated communications devices in Anchorage OSPA as a resource for the entire Criminal Division to use in preparing and presenting its cases.

FISCAL NOTE

Bill Version: HB 338

(H) Publish Date: 2/4/00

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date _____ Dept. Affected Public Safety
 Title An Act relating to crimes involving computers, BRU Alaska State Troopers
access devices, other technology, and identification documents ... Component Criminal Investigations Bureau
 Sponsor Rules Committee
 Requester Governor Component No. 830

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	73.1	73.1	73.1	73.1	73.1	73.1
Travel	3.0	3.0	3.0	3.0	3.0	3.0
Contractual	22.4	22.4	22.4	22.4	22.4	22.4
Supplies	4.6	4.6	4.6	4.6	4.6	4.6
Equipment	42.5	3.0	3.0	3.0	3.0	3.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	145.6	106.1	106.1	106.1	106.1	106.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	145.6	106.1	106.1	106.1	106.1	106.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	145.6	105.1	106.1	106.1	106.1	106.1

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (see attachment for more details)

This bill will greatly enhance the ability of law enforcement to deal with computer related criminal activity, including: child pornography in electronic format or on the internet; using credit cards or electronic access devices fraudulently; identity theft; and committing deceptive business practices with the aid of a computer. This bill will also increase the penalties for engaging in such practices if the person commits the offense by computer.

This fiscal note would add 1 full time position (Trooper Investigator) and associated support costs in the Criminal Investigations Bureau. This position will be located in Anchorage. One time equipment request, in FY2001, is necessary to provide this position with sophisticated computer equipment adequate to meet new and expanded responsibilities provided for in this legislation.

Prepared by: Royce Weller, Special Assistant Phone 465-4322
 Division Office of the Commissioner Date/Time 12/23/1999 12:00:00
 Approved by Commissioner Ronald L. Otte Date 12/23/99
 Agency Department of Public Safety

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**Fiscal Note: "An Act relating to crimes involving computers..."
(FY2001 - start up costs)**

PERSONAL SERVICES		
76A, salary schedule 1A, 144 hrs OT		73,100
TRAVEL and PER DIEM		3,000
CONTRACTUAL		
Telephone, postage	1,080	
Film processing	600	
PSEA Physical exam, avg	400	
Fuel	1,272	
HWCF vehicle - Class 115 oper & replacement	11,256	
Training	7,800	
Total Contractual		22,408
SUPPLIES and MATERIALS		
Initial issue uniform	3,435	
Film, office supplies	600	
Consumables (1st aid, chains, flares, batteries, etc.)	600	
Total Supplies/Materials		4,635
EQUIPMENT		
Forensic computer, software, printers, storage devices	15,000	
Trooper interceptor vehicle (fully equipped)	27,500	42,500
Total first-year cost of a new State Trooper:		145,643

TONY KNOWLES
GOVERNOR
2000 STATE HOUSE

Alaska
Juneau, Alaska 99801
907-586-2424
FAX 907-586-2433
www.governor.ak.gov

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 2, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

The advances in technology in the last decade have given us dazzling and practical tools for working together and communicating with the entire world. With these advances, however, come opportunities for criminals to victimize individuals and the public in devious and harmful ways. This bill I am transmitting today will help law enforcement prosecute those who cause harm and commit crimes through the use of computers and other high technology.

This bill recognizes that theft of personal information, known as "identity theft," can damage people in financial loss and reputation, which is difficult to repair. Moreover, it is often difficult for the owner of the identity to get help from law enforcement because that person is not considered the victim; the bank, credit card company, or retailer who advanced the property or services is considered the victim.

Deceptive business practices, such as fraud and false advertising, can more easily be perpetrated through electronic communication methods with a limitless number of potential victims. Additionally, offenses such as the production of child pornography are much more harmful to victims when the material is widely dispersed in an electronic format.

To address all of the above issues, the bill specifically makes the following changes in our criminal laws:

- Eliminates any potential confusion that placing child pornography in an electronic format and then onto a computer network or computer system is a serious crime.
- Replaces "credit card" with "access device" in our theft statutes so they clearly include identification numbers and telephone information in addition to credit card numbers.

The Honorable Brian Porter

February 2, 2000

Page 2

- Allows a person to be prosecuted for obtaining an "access device" with intent to use it fraudulently, and for using the device to defraud.
- Establishes a class B felony to use identity information of another person without authorization and for damaging the financial reputation of that person. A class B felony is punishable by imprisonment for up to 10 years and by a fine of up to \$50,000.
- Raises the stakes for engaging in deceptive business practices with the use of a computer by making it a class C felony, punishable by up to five years incarceration and a \$50,000 fine.
- Broadens the definition of criminal use of a computer, a class C felony, to include obtaining proprietary information, information that is only available to the public for a fee, introducing information that damages the computer, and encrypting information.
- Makes it a class A misdemeanor to eavesdrop on another person's electronic or voice mail or other communication in electronic storage. A class A misdemeanor is punishable by up to one year in jail and a fine of up to \$5,000.

This bill is timely and necessary to keep law enforcement in pace with modern technology.

Sincerely,



Tony Knowles
Governor

FISCAL NOTE

Bill Version: CSHB 338 (JUD)
 (H) Publish Date: 4/11/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Department of Corrections
 Title An Act relating to crimes involving computers, BRU Administration and Operations
access devices, other technology, identification documents. Component All
 Sponsor Rules Committee
 Requester Governor Component No. #0694

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	14.3	28.7	42.9	57.3	64.4	96.6
TOTAL OPERATING	14.3	28.7	42.9	57.3	64.4	96.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

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1003 GF Match						
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1037 GF/Mental Health						
Other (Specify Type)						
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Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 See attached.

Prepared by: Candy Brower, Legislative Liaison Phone 465-3307
 Division Commissioner's Office Date/Time 2/22/00 9:17 AM
 Approved by Commissioner Margaret M. Pugh Date 2-22-00
 Agency Dept. of Corrections

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION
DEPARTMENT OF CORRECTIONS

BILL NO. HB 338
PAGE 2 of 2
DATE 2/22/00

If passed, this legislation would greatly enhance the ability to prosecute those who would use technology for harm. Cybertheft, theft of identity, theft of access cards and electronic transmission of child pornography are all targets of this bill. Technology is creating a new breed of criminal because of the ease with which someone with particular skill and knowledge can steal, disrupt and otherwise harm without detection. Law enforcement is not easy in these cases and the expertise and equipment required to keep pace with those who are perpetrating such crimes will be critical.

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It is anticipated that the numbers of criminals being prosecuted will increase each year as law enforcement becomes more adept at apprehending them. For FY 02, it is anticipated there may be six convictions with a similar sentencing for a total of \$21,500 plus one person from the previous year who violated his probation for an additional 6 months sentence with four months to serve totalling \$7,200. FY 02 would see a total fiscal cost of \$28,700.

FY 03 is estimated to have eight convictions using the same formula as above, that would result in \$28,600. In addition, it is expected that two of the previous ten would violate probation for a net result of six months each with four months to serve totalling 14,300. The total estimate for FY 03 is \$42,900.

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FISCAL NOTE

Bill Version: HB 338
 (H) Publish Date: 2/4/00

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An Act relating to crimes involving computers..."
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Administration
 BRU: Legal and Advocacy Services
 Component: Public Defender Agency

COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2 003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES	46.5	46.5	46.5	46.5	46.5	46.5
TRAVEL	3.5	3.5	3.5	3.5	3.5	3.5
CONTRACTUAL	26.3	26.3	26.3	26.3	26.3	26.3
SUPPLIES	1.9	1.9	1.9	1.9	1.9	1.9
EQUIPMENT	6.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	84.7	78.2	78.2	78.2	78.2	78.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	84.7	78.2	78.2	78.2	78.2	78.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	84.7	78.2	78.2	78.2	78.2	78.2

Estimate of any current year (FY 00) cost: \$ _____

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This bill amends current law and adds new statutes to enable prosecution of a wide variety of "Cybercrimes."

Prosecution and defense of Cybercrimes will require sophisticated technical expertise. The Public Defender Agency does not currently have staff who have the technical knowledge necessary to defend criminal cases that could be brought under this new legislation.

The Public Defender Agency will need to hire an Analyst Programmer I in order to consult with and train the attorneys appointed to defend these cases. The Analyst Programmer will be based in Anchorage. In addition to providing technical assistance on individual cases in Anchorage, the Analyst Programmer would also be responsible for training attorneys and investigators in all Public Defender Agency offices on technical issues in these cases. One-time equipment costs for computer equipment is also included in the first year.

Prepared by: Barbara Brink, Director
 Division: Public Defender Agency

Phone: (907) 264-4414
 Date: _____

Approved by Commissioner: Robert Poe Jr. *Robert M. Selge*
 Agency: Department of Administration

Phone: _____
 Date: 12/15/99

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FISCAL NOTE

Bill Version: HB 338

(H) Publish Date: 2/4/00

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction): _____	Dept. Affected	Law
Title "An Act relating to crimes involving computers, access devices, other technology, identification documents ..."	BRU	Criminal Division
Sponsor Rules Committee	Component	1st Judicial Dist; 4th Judicial Dist; Criminal Appeals/Special Litigation
Requester Governor	Component No.	2198;2201;2203

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	3.3	3.3	3.3	3.3	3.3	3.3
Contractual	6.7	6.7	6.7	6.7	6.7	6.7
Supplies						
Equipment	5.0	5.0	5.0	5.0	5.0	5.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	15.0	15.0	15.0	15.0	15.0	15.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	15.0	15.0	15.0	15.0	15.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	15.0	15.0	15.0	15.0	15.0	15.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill amends and expands the substantive criminal law to address the use of computers and other technology in the widespread perpetration of crimes. Child pornography, theft of personal information with the intent to defraud, theft of personal information resulting in damage to a person's financial reputation, deceptive business practices, "hacking" to get unauthorized information or introduce false information, introducing damaging viruses, eavesdropping on other peoples' voice or e-mail are all offenses where technology has offered new ways for criminals to victimize individuals. The amendments in this bill will update existing law to help law enforcement prosecute those who cause harm to others through the use of computers and other technology.

Prepared by: Joan M. Kasson *Joan M. Kasson*
 Division: Attorney General's Office
 Approved by Commissioner: Bruce M. Botelho, Attorney General
 Agency: Department of Law

Phone: 465-5370
 Date/Time: 12/15/99, 8:37 AM
 Date: 12/15/99

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ANALYSIS CONTINUATION

Much of the bill expands on existing crimes already being prosecuted, and is not anticipated to cause increased workload. The new crimes defined in the bill are expected to result in approximately ten new prosecutions in the first year, with the number increasing in future years. These new white-collar cases will be handled by existing staff. Although no new personnel are believed to be necessary, other resources will be needed.

Investigation and prosecution of cybercrimes require that the prosecutor keep up with the constantly changing world of information technology. Those who use computers to commit crimes are very knowledgeable about technology, and usually have state-of-the-art equipment. Prosecutors must have the same or better knowledge and equipment as those who use the equipment for illegal purposes.

The Department of Law intends to have three of its prosecutors specialize in this technology driven area of law: one in Anchorage OSPA, and one each in the Juneau and Fairbanks district attorney's offices. These assistant district attorneys will need on-going training to stay ahead of the inventive ways people come up with to use technology to cause harm to others and to keep up with how law enforcement is responding in other jurisdictions. The department estimates \$10.0 per year will be spent on training, divided equally between the three components. \$5.0 per year is included to maintain state-of-the-art computer equipment, software, peripherals, and associated communications devices in Anchorage OSPA as a resource for the entire Criminal Division to use in preparing and presenting its cases.

FISCAL NOTE

Bill Version: HB 338

(H) Publish Date: 2/4/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date _____ Dept. Affected Public Safety
 Title An Act relating to crimes involving computers, BRU Alaska State Troopers
access devices, other technology, and identification documents ... Component Criminal Investigations Bureau
 Sponsor Rules Committee
 Requester Governor Component No. 830

Expenses/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	73.1	73.1	73.1	73.1	73.1	73.1
Travel	3.0	3.0	3.0	3.0	3.0	3.0
Contractual	22.4	22.4	22.4	22.4	22.4	22.4
Supplies	4.6	4.6	4.6	4.6	4.6	4.6
Equipment	42.5	3.0	3.0	3.0	3.0	3.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	145.6	106.1	106.1	106.1	106.1	106.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	145.6	106.1	106.1	106.1	106.1	106.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	145.6	106.1	106.1	106.1	106.1	106.1

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (see attachment for more details)

This bill will greatly enhance the ability of law enforcement to deal with computer related criminal activity, including: child pornography in electronic format or on the internet; using credit cards or electronic access devices fraudulently; identity theft; and committing deceptive business practices with the aid of a computer. This bill will also increase the penalties for engaging in such practices if the person commits the offense by computer.

This fiscal note would add 1 full time position (Trooper Investigator) and associated support costs in the Criminal Investigations Bureau. This position will be located in Anchorage. One time equipment request, in FY2001, is necessary to provide this position with sophisticated computer equipment adequate to meet new and expanded responsibilities provided for in this legislation.

Prepared by: Royce Weller, Special Assistant Phone 465-4322
 Division Office of the Commissioner Date/Time 12/23/1999 12:00:00
 Approved by Commissioner Ronald L. Otter Date 12/23/99
 Agency Department of Public Safety

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Fiscal Note: "An Act relating to crimes involving computers..."
(FY2001 - start up costs)

PERSONAL SERVICES		
76A, salary schedule 1A, 144 hrs OT		73,100
TRAVEL and PER DIEM		3,000
CONTRACTUAL		
Telephone, postage	1,080	
Film processing	600	
PSEA Physical exam, avg	400	
Fuel	1,272	
HWCF vehicle - Class 115 oper & replacement	11,256	
Training	7,800	
Total Contractual		22,408
SUPPLIES and MATERIALS		
Initial issue uniform	3,435	
Film, office supplies	600	
Consumables (1st aid, chains, flares, batteries, etc.)	600	
Total Supplies/Materials		4,635
EQUIPMENT		
Forensic computer, software, printers, storage devices	15,000	
Trooper interceptor vehicle (fully equipped)	27,500	42,500
Total first-year cost of a new State Trooper:		145,643

FISCAL NOTE

Bill Version: CSHB 338 (JUD)

(H) Publish Date: 4/11/00

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Department of Corrections
 Title An Act relating to crimes involving computers, BRU Administration and Operations
access devices, other technology, identification documents. Component All
 Sponsor Rules Committee
 Requester Governor Component No. #0694

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	14.3	28.7	42.9	57.3	64.4	96.6
TOTAL OPERATING	14.3	28.7	42.9	57.3	64.4	96.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	14.3	28.7	42.9	57.3	64.4	96.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	14.3	28.7	42.9	57.3	64.4	96.6

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Candy Brower, Legislative Liaison

Phone 465-3307

Division Commissioner's Office

Date/Time 2/22/00 9:17 AM

Approved by Commissioner Margaret M. Pugh

Date 2-22-00

Agency Dept. of Corrections

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION
DEPARTMENT OF CORRECTIONS

BILL NO. HB 338
PAGE 2 of 2
DATE 2/22/00

If passed, this legislation would greatly enhance the ability to prosecute those who would use technology for harm. Cybertheft, theft of identity, theft of access cards and electronic transmission of child pornography are all targets of this bill. Technology is creating a new breed of criminal because of the ease with which someone with particular skill and knowledge can steal, disrupt and otherwise harm without detection. Law enforcement is not easy in these cases and the expertise and equipment required to keep pace with those who are perpetrating such crimes will be critical.

The Department of Corrections anticipates that the criminals prosecuted for these crimes will likely be new to the system. It is anticipated that the first year, there may be four convictions for C felonies resulting in a Suspended Imposition of Sentence of 24 months with 21 suspended for a period of 5 years. That would result in a period of confinement of 2 months for each individual. The fact that these would likely be first time offenders and not violent, they will likely serve their confinement in Community Residential Centers at a rate of \$59.61 per day. The first year fiscal impact would be approximately \$14,300.

It is anticipated that the numbers of criminals being prosecuted will increase each year as law enforcement becomes more adept at apprehending them. For FY 02, it is anticipated there may be six convictions with a similar sentencing for a total of \$21,500 plus one person from the previous year who violated his probation for an additional 6 months sentence with four months to serve totalling \$7,200. FY 02 would see a total fiscal cost of \$28,700.

FY 03 is estimated to have eight convictions using the same formula as above, that would result in \$28,600. In addition, it is expected that two of the previous ten would violate probation for a net result of six months each with four months to serve totalling 14,300. The total estimate for FY 03 is \$42,900.

FY 04 is estimated to reach ten convictions using the same formula as above, resulting in a cost of \$35,800. If probation violations occur, as expected, there would be an additional three inmates subject to additional time of approximately 4 months each for \$21,500. The total fiscal impact in FY 04 would be \$57,300.

If prosecutions and convictions continue to increase, we would anticipate 12 convictions in FY 05 at a resulting cost of \$42,900. If three probationers violate, the resulting cost would be \$21,500 for a total of \$64,400.

FY 06, if increases continue as expected, could result in 15 convictions for a total of \$53,700 plus four probation revocations at an average of 9 months each, 6 months to serve totalling 42,900. The total fiscal impact for FY 06 would be approximately \$96,600.

The increase in sentencing for probationers is a result of the possibility of re-offenders getting additional time for coming back before the court again. This fiscal note does not reflect costs of community supervision.

FISCAL NOTE

Bill Version: HB 338
(H) Publish Date: 2/4/00

STATE OF ALASKA

2000 LEGISLATIVE SESSION

Revision Date: _____
Title: "An Act relating to crimes involving computers..."
Sponsor: Rules Committee
Requestor: Governor

Department Affected: Administration
BRU: Legal and Advocacy Services
Component: Public Defender Agency
COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2 003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES	46.5	46.5	46.5	46.5	46.5	46.5
TRAVEL	3.5	3.5	3.5	3.5	3.5	3.5
CONTRACTUAL	26.3	26.3	26.3	26.3	26.3	26.3
SUPPLIES	1.9	1.9	1.9	1.9	1.9	1.9
EQUIPMENT	6.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	84.7	78.2	78.2	78.2	78.2	78.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	84.7	78.2	78.2	78.2	78.2	78.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	84.7	78.2	78.2	78.2	78.2	78.2

Estimate of any current year (FY 00) cost: \$ _____

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This bill amends current law and adds new statutes to enable prosecution of a wide variety of "Cybercrimes."

Prosecution and defense of Cybercrimes will require sophisticated technical expertise. The Public Defender Agency does not currently have staff who have the technical knowledge necessary to defend criminal cases that could be brought under this new legislation.

The Public Defender Agency will need to hire an Analyst Programmer I in order to consult with and train the attorneys appointed to defend these cases. The Analyst Programmer will be based in Anchorage. In addition to providing technical assistance on individual cases in Anchorage, the Analyst Programmer would also be responsible for training attorneys and investigators in all Public Defender Agency offices on technical issues in these cases. One-time equipment costs for computer equipment is also included in the first year.

Prepared by: Barbara Brink, Director
Division: Public Defender Agency

Phone: (907) 264-4414
Date: _____

Approved by Commissioner: Robert Poe Jr. *Robert M. Elger*
Agency: Department of Administration

Phone: _____
Date: 12/15/99

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FISCAL NOTE

Bill Version: HB 338

(H) Publish Date: 2/4/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction)	Dept. Affected	Law
Title "An Act relating to crimes involving computers, access devices, other technology, identification documents ..."	BRU	Criminal Division
Sponsor Rules Committee	Component	1st Judicial Dist; 4th Judicial Dist; Criminal Appeals/Special Litigation
Requester Governor	Component No.	2198;2201;2203

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	3.3	3.3	3.3	3.3	3.3	3.3
Contractual	6.7	6.7	6.7	6.7	6.7	6.7
Supplies						
Equipment	5.0	5.0	5.0	5.0	5.0	5.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	15.0	15.0	15.0	15.0	15.0	15.0

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	15.0	15.0	15.0	15.0	15.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	15.0	15.0	15.0	15.0	15.0	15.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill amends and expands the substantive criminal law to address the use of computers and other technology in the widespread perpetration of crimes. Child pornography, theft of personal information with the intent to defraud, theft of personal information resulting in damage to a person's financial reputation, deceptive business practices, "hacking" to get unauthorized information or introduce false information, introducing damaging viruses, eavesdropping on other peoples' voice or e-mail are all offenses where technology has offered new ways for criminals to victimize individuals. The amendments in this bill will update existing law to help law enforcement prosecute those who cause harm to others through the use of computers and other technology.

Prepared by: <u>Joan M. Kasson</u> <i>Joan M. Kasson</i>	Phone <u>465-5370</u>
Division <u>Attorney General's Office</u>	Date/Time <u>12/15/99, 8:37 AM</u>
Approved by <u>Commissioner</u> <i>Kad for</i> <u>Bruce M. Botelho, Attorney General</u>	Date <u>12/15/99</u>
Agency <u>Department of Law</u>	

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 338

ANALYSIS CONTINUATION

Much of the bill expands on existing crimes already being prosecuted, and is not anticipated to cause increased workload. The new crimes defined in the bill are expected to result in approximately ten new prosecutions in the first year, with the number increasing in future years. These new white-collar cases will be handed by existing staff. Although no new personnel are believed to be necessary, other resources will be needed.

Investigation and prosecution of cybercrimes require that the prosecutor keep up with the constantly changing world of information technology. Those who use computers to commit crimes are very knowledgeable about technology, and usually have state-of-the-art equipment. Prosecutors must have the same or better knowledge and equipment as those who use the equipment for illegal purposes.

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FISCAL NOTE

Bill Version: HB 338

(H) Publish Date: 2/4/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date _____ Dept. Affected Public Safety
 Title An Act relating to crimes involving computers, BRU Alaska State Troopers
access devices, other technology, and identification documents ... Component Criminal Investigations Bureau
 Sponsor Rules Committee
 Requester Governor Component No. 830

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	73.1	73.1	73.1	73.1	73.1	73.1
Travel	3.0	3.0	3.0	3.0	3.0	3.0
Contractual	22.4	22.4	22.4	22.4	22.4	22.4
Supplies	4.6	4.6	4.6	4.6	4.6	4.6
Equipment	42.5	3.0	3.0	3.0	3.0	3.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	145.6	106.1	106.1	106.1	106.1	106.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	145.6	106.1	106.1	106.1	106.1	106.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	145.6	106.1	106.1	106.1	106.1	106.1

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (see attachment for more details)

This bill will greatly enhance the ability of law enforcement to deal with computer related criminal activity, including: child pornography in electronic format or on the internet; using credit cards or electronic access devices fraudulently; identity theft; and committing deceptive business practices with the aid of a computer. This bill will also increase the penalties for engaging in such practices if the person commits the offense by computer.

This fiscal note would add 1 full time position (Trooper Investigator) and associated support costs in the Criminal Investigations Bureau. This position will be located in Anchorage. One time equipment request, in FY2001, is necessary to provide this position with sophisticated computer equipment adequate to meet new and expanded responsibilities provided for in this legislation.

Prepared by: Royce Weller, Special Assistant Phone 465-4322
 Division Office of the Commissioner Date/Time 12/23/1999 12:00:00
 Approved by Commissioner Ronald L. Otte Date 12/23/99
 Agency Department of Public Safety

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Fiscal Note: "An Act relating to crimes involving computers..."
(FY2001 - start up costs)

PERSONAL SERVICES		
76A, salary schedule 1A, 144 hrs OT		73,100
TRAVEL and PER DIEM		3,000
CONTRACTUAL		
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Film processing	600	
PSEA Physical exam, avg	400	
Fuel	1,272	
HWCF vehicle - Class 115 oper & replacement	11,256	
Training	7,800	
 Total Contractual		 22,408
SUPPLIES and MATERIALS		
Initial issue uniform	3,435	
Film, office supplies	600	
Consumables (1st aid, chains, flares, batteries, etc.)	600	
 Total Supplies/Materials		 4,635
EQUIPMENT		
Forensic computer, software, printers, storage devices	15,000	
Trooper interceptor vehicle (fully equipped)	27,500	42,500
 Total first-year cost of a new State Trooper:		 145,643