

LEG. FINANCE - BILLS 1983 - 1984 1983

CSHB 691 cont. - HB 705 1983

ANYS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPRCPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
RUSSIAN MISSION-TRAMWAY REPAIR (ED 24)		82,000	82,000		1
SHAGELUK-MULTIPURPOSE BUILDING (ED 24)		150,000	150,000		2
SHAGELUK-HEADSTART BUILDING SUPPLEMENTAL (ED 24)		15,000	15,000		3
TULUKSAK-EQUIPMENT GARAGE (ED 24)		30,000	30,000		4
TULUKSAK-ELECTRIFICATION COMPLETION (ED 24)		59,000	59,000		5
TANANA-WATER AND SEWER SYSTEM PHASE I (ED 24)		120,000	120,000		6
UPPER KALSKAG-SANITARY LANDFILL (ED 24)		40,000	40,000		7
ED 25 LOWER KUSKOKHIM					8
AKIAK-RIVERDANK EROSION CONTROL (ED 25)		495,000	495,000		9
CHEFORNAK-ELECTRIFICATION UPGRADE (ED 25)		500,000	500,000		10
GOODNEWS BAY-COMMUNITY CENTER (ED 25)		168,000	168,000		11
MEKORYUK-WATER AND SEWER PHASE II (ED 25)		660,000	660,000		12
NIGHTMUTE-ELECTRIFICATION UPGRADE (ED 25)		290,000	290,000		13
ED 26 BRISTOL BAY-ALEUTIAN ISLANDS					14
BRISTOL BAY BOROUGH-SOLID WASTE PHASE II DESIGN AND CONSTRUCTION (ED 26)		500,000	500,000		15
COLD BAY-MUNICIPAL BUILDING (ED 26)		300,000	300,000		16
DILLINGHAM-BULK FUEL STORAGE TANKAGE (ED 26)		703,500	703,500		17
DILLINGHAM-MUSEUM (ED 26)		87,100	87,100		18
SAINT GEORGE-BOAT RAMP DESIGN AND CONSTRUCTION (ED 26)		160,000	160,000		19
SAND POINT-WATER AND SEWER PROJECT (ED 26)		500,000	500,000		20
UNALASKA-ELECTRIFICATION GENERATION (ED 26)		500,000	500,000		21

AMOUNTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
UNALASKA-SANITARY LANDFILL RENOVATION (ED 26)		125,000	125,000		1
UNALASKA-CITY SURVEY (ED 26)		250,000	250,000		2
ED 27 KODIAK-EAST ALASKA PENINSULA					3
CHIGNIK-EMERGENCY SHELTER (ED 27)		90,000	90,000		4
KODIAK-ISLAND LAKE WATER AND SEWER SYSTEM (ED 27)		1,810,000	1,810,000		5
KODIAK-SOLID WASTE FACILITY (ED 27)		3,600,000	3,600,000		6
KODIAK ISLAND BOROUGH-VILLAGE PROJECTS (ED 27)		300,000	300,000		7
PORT LIONS-BAYVIEW DRIVE WATER AND SEWER (ED 27)		264,000	264,000		8
TRANSPORTATION					9
ED 1 KETCHIKAN-WRANGELL-PETERSBURG					10
KETCHIKAN GATEWAY BOROUGH-BY-PASS ROUTE (ED 1)		3,034,100	3,034,100		11
ED 2 INSIDE PASSAGE-CORDOVA					12
CORDOVA-ROADS UPGRADE (ED 2)		500,000	500,000		13
HAINES-UNION/FRONT STREET WATER LINE (ED 2)		38,000	38,000		14
HYDABURG-PORT FACILITY STUDY (ED 2)		25,000	25,000		15
KLANOOCK-ROAD WORK (ED 2)		400,000	400,000		16
SKAGWAY-STREET PAVING (ED 2)		1,200,000	1,200,000		17
YAKUTAT-DOCK COMPLETION (ED 2)		1,500,000	1,500,000		18
ED 2 INSIDE PASSAGE-CORDOVA					19
HOONAH-PAVING PROJECT (ED 3)		75,000	75,000		20
PELICAN-BOARDWALK REPLACEMENT/CONSTRUCTION (ED 3)		100,000	100,000		21
SITKA-STATE/MUNICIPAL PARKING LOT CONSTRUCTION (ED 3)		170,500	170,500		22

MENTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	APPROPRIATION		APPROPRIATION FUND SOURCES		
	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	
SITKA-SEALING COVE PARKING LOT FILL/STABILIZATION (ED 3)		130,000	130,000		4
SITKA-PRICE STREET EXTENSION/INTERSECTION RECONSTRUCTION (ED 3)		300,000	300,000		5
TENAKEE-HELIPORT LIGHTS/EMERGENCY EQUIPMENT (ED 3)		35,000	35,000		6
ED 5 KENAI-COOK INLET					7
KENAI PENINSULA BOROUGH-NORTH FORK ROAD/PHASE I (ED 5)		3,800,000	3,800,000		8
KENAI PENINSULA BOROUGH-ROBINSON LOOP PHASE I (ED 5)		1,500,000	1,500,000		9
SELDOVIA-UNPAVED STREET REPAIRS (ED 5)		315,000	315,000		10
SOLDOTHA-STREET IMPROVEMENTS (ED 5)		1,095,900	1,095,900		11
ED 6 NORTH KENAI-SOUTH COAST					12
WHITTIER-SHOTGUN COVE ROAD ENGINEERING AND RIGHT OF WAY ACQUISITION (ED 6)		500,000	500,000		13
ED 7-15 ANCHORAGE DISTRICT					14
ANCHORAGE-OCEANVIEW/RABBIT CREEK/KLATT SCHOOL CROSSING LIGHT INSTALLATION (ED 7-15)		45,000	45,000		15
ANCHORAGE-LIMITED LIFE ROAD SERVICE DISTRICT 7 IMPROVEMENTS (ED 7-15)		450,000	450,000		16
ANCHORAGE-UNIVERSITY DRIVE, PROVIDENCE TO NORTHERN LIGHTS PAVEMENT OVERLAY (ED 7-15)		100,000	100,000		17
ANCHORAGE-EAST HIGH OVERPASS TRAIL DEVELOPMENT (ED 7-15)		100,000	100,000		18
ANCHORAGE-SIGNAL SYSTEM IMPROVEMENTS (ED 7-15)		600,000	600,000		19
ANCHORAGE-EAGLE RIVER TRAFFIC LIGHTS (ED 7-15)		530,000	530,000		20
ANCHORAGE-EAGLE RIVER, CHUGIAK, BIRCHWOOD, ROAD IMPROVEMENTS (ED 7-15)		2,400,000	2,400,000		21

ANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	APPROPRIATION		APPROPRIATION FUND SOURCES		
	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	
ANCHORAGE-EAGLE RIVER SCHOOL BUS STOP LIGHTING (ED 7-15)		200,000	200,000		4
ANCHORAGE-EAGLE RIVER DRAINAGE STUDY (ED 7-15)		195,000	195,000		5
ANCHORAGE-EAGLE RIVER-CHUGIAK DRAINAGE CONSTRUCTION (ED 7-15)		30,000	30,000		6
ANCHORAGE-DOWNTOWN STREET & SIDEWALK REPLACEMENT (ED 7-15)		1,500,000	1,500,000		7
ANCHORAGE-ARCTIC BOULEVARD-RASPBERRY TO DIMOND, DESIGN AND RIGHT OF WAY ACQUISITION (ED 7-15)		600,000	600,000		8
ANCHORAGE-SIXTH AVENUE ROAD IMPROVEMENT (ED 7-15)		1,508,000	1,508,000		9
ANCHORAGE-DUBEN STREET ROAD IMPROVEMENT (ED 7-15)		1,460,000	1,460,000		10
ANCHORAGE-TUDOR/MULDOON SAFETY ROAD IMPROVEMENTS (ED 7-15)		500,000	500,000		11
ANCHORAGE-SPENARD ROAD, MCRAE TO INTERNATIONAL ROAD IMPROVEMENT (ED 7-15)		4,000,000	4,000,000		12
ANCHORAGE-THIRD AVENUE, POST ROAD TO REEVE BOULEVARD UPGRADE (ED 7-15)		1,900,000	1,900,000		13
ANCHORAGE-C STREET, MINNESOTA TO KLATT ROAD DESIGN & RIGHT OF WAY ACQUISITION (ED 7-15)		2,000,000	2,000,000		14
ANCHORAGE-36TH AVENUE, LAKE OTIS TO SPENARD SIDEWALK CONSTRUCTION (ED 7-15)		700,000	700,000		15
ANCHORAGE-36TH AVENUE REGRADE (ED 7-15)		900,000	900,000		16
ANCHORAGE-50% MATCH FOR ROAD IMPROVEMENTS ALLOCATED TO E 72, E 73, E 74, E 75 AVENUES WEST OF OLD SEWARD & EAST OF C STR (ED 7-15)		693,900	693,900		17
ANCHORAGE-SPENARD ALLEY IMPROVEMENTS (ED 7-15)		325,000	325,000		18
ANCHORAGE-LAKE OTIS-TUDOR INTERSECTION UPGRADE (ED 7-15)		250,000	250,000		19

ANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	APPROPRIATION		APPROPRIATION FUND SOURCES		
	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	
ANCHORAGE-BIRCH ROAD BIKE/EQUESTRIAN TRAIL CONSTRUCTION (ED 7-15)		500,000	500,000		4
ANCHORAGE-BIRCH ROAD TRAIL O'MALLEY TO DEARMOUN (ED 7-15)		100,000	100,000		5
ANCHORAGE-LORE ROAD UPGRADE, TUDOR TO ABBOTT (ED 7-15)		650,000	650,000		6
ANCHORAGE-OLD SEWARD BIKE TRAIL, BRANDON TO DEARMOUN (ED 7-15)		300,000	300,000		7
ANCHORAGE-SPEED SAFETY LIGHT INSTALLATION (ED 7-15)		60,000	60,000		8
ANCHORAGE-STUCKAGAIN ROAD FEASIBILITY STUDY (ED 7-15)		50,000	50,000		9
ANCHORAGE-CAMPBELL CREEK BRIDGES CONSTRUCTION (ED 7-15)		100,000	100,000		10
ANCHORAGE-PATTERSON WALKWAY CONSTRUCTION (ED 7-15)		200,000	200,000		11
ANCHORAGE-36TH AVENUE WALKWAY CONSTRUCTION (ED 7-15)		200,000	200,000		12
ANCHORAGE-76TH STREET-OLD SEWARD HIGHWAY TO KING (ED 7-15)		1,750,000	1,750,000		13
ANCHORAGE-PEDESTRIAN SAFETY (ED 7-15)		2,220,000	2,220,000		14
ANCHORAGE-STREET ILLUMINATION (ED 7-15)		1,100,000	1,100,000		15
ANCHORAGE-GOLDENVIEW DRIVE IMPROVEMENTS, 164TH TO ROMANIA (ED 7-15)		900,000	900,000		16
ANCHORAGE-BENSEN BOULEVARD BEAUTIFICATION (ED 7-15)		250,000	250,000		17
ANCHORAGE-NORTHERN LIGHTS ROAD BEAUTIFICATION (ED 7-15)		250,000	250,000		18
ANCHORAGE-BLUFF DRIVE UNDERGROUND (ED 7-15)		342,000	342,000		19
ANCHORAGE-WINDERMERE SUBDIVISION INTERTIES (ED 7-15)		19,200	19,200		20

ANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
ED 16 MATANUSKA-SUSITNA					1
HOUSTON-BUS ROUTE/ARMSTRONG ROAD (ED 16)		189,400	189,400		2
MATANUSKA-SUSITNA BOROUGH-HORSESHOE LAKE ROAD (ED 16)		53,800	53,800		3
MATANUSKA-SUSITNA BOROUGH-RURAL ROADS (ED 16)		200,000	200,000		4
MATANUSKA-SUSITNA BOROUGH-BIG LAKE ROADS (ED 16)		200,000	200,000		5
MATANUSKA-SUSITNA BOROUGH-KING ARTHUR DRIVE, HOUSTON (ED 16)		400,000	400,000		6
MATANUSKA-SUSITNA BOROUGH-SEWARD MERIDIAN ROAD (ED 16)		382,900	382,900		7
PALMER-STREET LIGHTING (ED 16)		300,000	300,000		8
PALMER-MUNICIPAL AIRPORT RUNWAY EXTENSION (ED 16)		600,000	600,000		9
WASILLA-TRANSPORTATION PLAN/STORM DRAIN (ED 16)		200,000	200,000		10
WASILLA-RAILROAD SIGNALIZATION (ED 16)		300,000	300,000		11
ED 17 INTERIOR HIGHWAYS					12
DELTA JUNCTION-SCHOOL ROAD LIGHTING (ED 17)		28,800	28,800		13
ED 18 SOUTHEAST NORTH STAR BOROUGH					14
FAIRBANKS NORTH STAR BOROUGH-NORTH POLE FIFTH AVENUE PARK COMPLETION (ED 18)		145,000	145,000		15
NORTH POLE-DRAINAGE AND STREET IMPROVEMENTS (ED 18)		1,050,000	1,050,000		16
ED 19-21 FAIRBANKS DISTRICT					17
FAIRBANKS NORTH STAR BOROUGH-HENBY ROAD SERVICE AREA REPAIR AND REHABILITATION (ED 19-21)		153,000	153,000		18
FAIRBANKS NORTH STAR BOROUGH-ARCTIC FOX ROAD SERVICE AREA REPAIRS AND REHABILITATION (ED 19-21)		276,000	276,000		19

NTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
FAIRBANKS NORTH STAR BOROUGH-DIANE ROAD SERVICE AREA REPAIRS AND REHABILITATION (ED 19-21)		373,000	373,000		1
FAIRBANKS NORTH STAR BOROUGH-HIGHWAY PARK ROAD SERVICE AREA REPAIR & REHABILITATION (ED 19-21)		419,000	419,000		2
FAIRBANKS NORTH STAR BOROUGH-KRIS KRINGLE ROAD SERVICE AREA REPAIRS AND REHABILITATION (ED 19-21)		279,000	279,000		3
FAIRBANKS NORTH STAR BOROUGH-DISTRICT K ROAD SERVICE AREA BLOCK GRANT (ED 20)		2,000,000	2,000,000		4
FAIRBANKS NORTH STAR BOROUGH-ROAD SERVICE AREA BLOCK GRANT (ED 19-21)		500,000	500,000		5
FAIRBANKS NORTH STAR BOROUGH-DISTRICT J ROAD SERVICE BLOCK GRANT (ED 19-21)		1,000,000	1,000,000		6
FAIRBANKS-EXISTING STREETS MAINTENANCE AND REPAIRS (ED 19-21)		140,400	140,400		7
ED 22 NORTH SLOPE-KOTZEBUE					8
AMBLER-STREET LIGHTS (ED 22)		50,000	50,000		9
BUCKLAND-TRANSPORT SHELTER CABINS (ED 22)		75,000	75,000		10
KOTZEBUE-CITY STREET UPGRADE (ED 22)		500,000	500,000		11
NORTH SLOPE BOROUGH-WAINWRIGHT COMMUNITY ROADS (ED 22)		200,000	200,000		12
NUIQSUT-RECREATION ROAD (ED 22)		55,500	55,500		13
POINT HOPE-RUNWAY (ED 22)		1,300,000	1,300,000		14
ED 23 NORTON SOUND					15
CHEVAK-ROAD AND TRAIL REPAIR (ED 23)		500,000	500,000		16
DIOMEDE-WATER AND AIR TRANSPORT (ED 23)		250,000	250,000		17
ELIM-ROAD REPAIR AND CONSTRUCTION (ED 23)		500,000	500,000		18

ANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
ELIM-AIRPORT IMPROVEMENTS/MAINTENANCE (ED 23)		510,000	510,000		1
KOYUK-STREETS AND ROADS (ED 23)		200,000	200,000		2
HOME-PORT FACILITY (ED 23)		2,000,000	2,000,000		3
SAINT MICHAEL-CITY STREETS (ED 23)		200,000	200,000		4
SCANNON BAY-AIRPORT LIGHTING (ED 23)		350,000	350,000		5
TELLER-AIRPORT LIGHTING (ED 23)		350,000	350,000		6
ED 24 INTERIOR RIVERS					7
ANIAX-STREET LIGHTS (ED 24)		20,000	20,000		8
FORT YUKON-STREET IMPROVEMENTS (ED 24)		300,000	300,000		9
GRAYLING-ROAD IMPROVEMENTS AND EQUIPMENT (ED 24)		250,000	250,000		10
KALTAG-ROAD CONSTRUCTION (ED 24)		200,000	200,000		11
KOYUKUK-HEAVY EQUIPMENT AND ROAD CONSTRUCTION (ED 24)		200,000	200,000		12
MOUNTAIN VILLAGE-ROAD GRADER (ED 24)		25,000	25,000		13
NULATO-ROAD CONSTRUCTION (ED 24)		75,000	75,000		14
RUBY-ROAD CONSTRUCTION AND UPGRADE (ED 24)		190,000	190,000		15
TANAHA-ROAD CONSTRUCTION (ED 24)		200,000	200,000		16
TULUKSAK-ROAD CONSTRUCTION AND EQUIPMENT (ED 24)		300,000	300,000		17
ED 25 LOWER KUSKOKWIM					18
ATMAUTLUAK-ROADS (ED 25)		400,000	400,000		19
BETHEL-ROADS (ED 25)		550,000	550,000		20
EEK-ROAD CONSTRUCTION (ED 25)		250,000	250,000		21
ED 26 BRISTOL BAY-ALEUTIAN ISLANDS					22
BRISTOL BAY BOROUGH-SOUTH NAKNEK BOAT DOCK DESIGN AND CONSTRUCTION (ED 26)		200,000	200,000		23

WANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
					1
					2
					3
CLARK'S POINT-DUMP ACCESS ROAD (ED 26)		50,000	50,000		4
HONDALTON-ROAD (ED 26)		500,000	500,000		5
UNALASKA-GUARD RAILS (ED 26)		25,000	25,000		6
ED 27 KODIAK-EAST ALASKA PENINSULA					7
AKHIOK-DOCK FACILITY ACCESS ROAD (ED 27)		560,000	560,000		8
KODIAK-MARINE WAY CONSTRUCTION (ED 27)		1,000,000	1,000,000		9
KODIAK-SELIEF LANE EXTENSION (ED 27)		2,149,000	2,149,000		10
GENERAL GOVERNMENT					11
ED 3 BARANOF-CHICHAGOF					12
HOONAH COMMUNITY MEDIA PROJECT (ED 3)		28,000	28,000		13
*****		*****			14
***** UNINCORPORATED COMMUNITY GRANTS (AS 37.05.317) *****		*****			15
*****		*****			16
ALTH					17
ED 24 INTERIOR RIVERS					18
ARCTIC VILLAGE-CLINIC CONSTRUCTION (ED 24)		100,000	100,000		19
RURAL RESOURCE MANAGEMENT					20
ED 24 INTERIOR RIVERS					21
STEVENS VILLAGE-AGRICULTURAL PROJECT (ED 24)		25,000	25,000		22
PUBLIC PROTECTION					23
ED 24 INTERIOR RIVERS					24
TAKOTNA-FIRE STATION (ED 24)		95,000	95,000		25

INCORPORATED COMMUNITY GRANTS (AS 37.05.317) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
TYONEK-POLICE VEHICLE/EQUIPMENT (ED 24)		25,000	25,000		1
STEVENS VILLAGE-FIRE EQUIPMENT AND PUBLIC SAFETY BUILDING (ED 24)		100,000	100,000		2
VELOPMENT					3
ED 2 INSIDE PASSAGE-CORDOVA					4
KLUKWAN-AND AND ANS HALL UPGRADE (ED 2)		75,000	75,000		5
ED 3 BARANOF-CHICHAGOF					6
ELFIN COVE-COMMUNITY BUILDING CONSTRUCTION (ED 3)		350,000	350,000		7
ED 16 MATAKUSKA-SUSITNA					8
TALKEETNA-BOAT LAUNCH/CHRISTIANSON LAKE CAMP (ED 16)		100,000	100,000		9
ED 17 INTERIOR HIGHWAYS					10
COPPER CENTER-GEOTHERMAL PROJECT PHASE II (ED 17)		100,000	100,000		11
DOT LAKE-SENIOR CITIZENS TRANSPORTATION (ED 17)		40,000	40,000		12
DOT LAKE-STORAGE BUILDING COMPLETION (ED 17)		10,000	10,000		13
HEALY LAKE-COMMUNITY CENTER (ED 17)		37,000	37,000		14
NORTHWAY-LANDFILL EQUIPMENT (ED 17)		100,000	100,000		15
NORTHWAY-CLINIC BUILDING (ED 17)		97,000	97,000		16
TANACROSS-VILLAGE LAUNDROMAT (ED 17)		32,500	32,500		17
TOK-AREA SATELLITE TELEVISION (ED 17)		36,500	36,500		18
ED 22 NORTH SLOPE-KOTZEBUE					19
NOATAK-ELECTRIC PROJECT (ED 22)		75,000	75,000		20
ED 24 INTERIOR RIVERS					21
ARCTIC VILLAGE-ELECTRICAL UPGRADE (ED 24)		150,000	150,000		22

INCORPORATED COMMUNITY GRANTS (AS 37.05.317) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
BEAVER-ELECTRIFICATION PHASE I (ED 24)		200,000	200,000		1
BIRCH CREEK-ELECTRICAL UPGRADE (ED 24)		100,000	100,000		2
CHALKYITSIK-MULTIPURPOSE BUILDING CONSTRUCTION (ED 24)		175,000	175,000		3
CHALKYITSIK-RECREATION EQUIPMENT (ED 24)		25,000	25,000		4
CROOKED CREEK-MULTIPURPOSE BUILDING (ED 24)		91,000	91,000		5
SLEETMUTE-MULTIPURPOSE BUILDING CONSTRUCTION (ED 24)		200,000	200,000		6
STONY RIVER-HEAVY EQUIPMENT (ED 24)		100,000	100,000		7
TAKOTNA-SEPTIC TANKS (ED 24)		150,000	150,000		8
TELIDA-ELECTRIFICATION (ED 24)		55,000	55,000		9
VENETIE-ELECTRICAL DISTRIBUTION SYSTEM (ED 24)		220,000	220,000		10
ED 25 LOWER KUSKOKWIM					11
KIPHUK-SANITARY LANDFILL ACCESS ROAD (ED 25)		292,000	292,000		12
ED 26 BRISTOL BAY-ALEUTIAN ISLANDS					13
KOKHANOK-ELECTRIFICATION (ED 26)		800,000	800,000		14
UGASHIK-TOW COMPACTOR/WHEEL TRACTOR (ED 26)		25,000	25,000		15
ED 27 KODIAK-EAST ALASKA PENINSULA					16
KARLUK-ELECTRIFICATION SYSTEM (ED 27)		233,000	233,000		17
TRANSPORTATION					18
ED 16 MATANUSKA-SUSITNA					19
SKWENTNA-AIRPORT UPGRADE (ED 16)		100,000	100,000		20
ED 17 INTERIOR HIGHWAYS					21
TOK-AIRPORT UPGRADE (ED 17)		87,300	87,300		22

INCORPORATED COMMUNITY GRANTS (AS 37.05.317) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
ED 24 INTERIOR RIVERS					1
ARCTIC VILLAGE-ROAD CONSTRUCTION (ED 24)		50,000	50,000		2
RAMPART-RAMPART TO GRANITE CREEK ROAD IMPROVEMENTS (ED 24)		300,000	300,000		3
SLEETMUTE-ROAD CONSTRUCTION AND EQUIPMENT (ED 24)		200,000	200,000		4
ED 26 BRISTOL BAY-ALEUTIAN ISLANDS					5
EGEGIK-ROADS UPGRADE (ED 26)		55,800	55,800		6
NELSON LAGOON-DIESEL DUMP TRUCK (ED 26)		57,000	57,000		7
					8
					9
					10

EC. 3 THE FOLLOWING SETS OUT THE FUNDING OF THE
APRIATIONS MADE IN THE PRECEDING SECTION OF THIS

CAPITAL PROJECTS

GENERAL FUND

307,043,800

*** TOTAL FUNDING ***

307,043,800

*** TOTAL BUDGET ***

307,043,800

EC. 4 THIS ACT TAKES EFFECT JULY 1, 1984.

1
2
3
4
5
6
7
8

FISCAL YEAR 1985 BUDGET SUMMARY BY FUNDING SOURCE

FUNDING SOURCE	OPERATING BUDGET	LOANS BUDGET	NEW LEGISLATION BUDGET	CAPITAL BUDGET	TOTAL BUDGET
DERAL RECEIPTS					
NERAL FUND MATCH					
NERAL FUND				307,043,800	307,043,800
TER-AGENCY RECEIPTS					
UNIVERSITY OF ALASKA G.O. BONDS					
EDUCATION G.O. BONDS					
WATER & SEWER G.O. BONDS					
RENEWABLE RESOURCES INVESTMENT FUND					
CORRECTIONAL & PUB. SAFETY G.O. BONDS					
HARBOR & FLOOD CONTROL G.O. BONDS					
TRANSPORTATION G.O. BONDS					
AGRICULTURAL LOAN FUND					
SEA ADMINISTRATION FUND ACCOUNT					
WILDLIFE AND GAME FUND					
HIGHWAY WORKING CAPITAL FUND					
INTERNATIONAL AIRPORT REVENUE FUND					
PROGRAM RECEIPTS					
PUBLIC EMPLOYEES RETIREMENT FUND					
SCHOOL FUND (CIGARETTE TAX)					
SECOND INJURY FUND RESERVE ACCOUNT					
DISABLED FISHERMANS RESERVE ACCOUNT					
TRUST PLUS PROPERTY REVOLVING FUND					
TEACHERS RETIREMENT SYSTEM FUND					
VETERANS REVOLVING LOAN FUND					
COMMERCIAL FISHING LOAN FUND					
FEDERAL REVENUE SHARING FUND					
STUDENT FEES, UNIVERSITY OF ALASKA					
INDIRECT COST RECOVERY					
WILDLIFE/COASTAL PROTECTION FUND					
DESIGNATED COMMODITY HANDLING FEE ACCOUNT					
JUDICIAL RETIREMENT SYSTEM					
PUBLIC LAW 31-874/GENERAL FUND					
RENEWABLE RESOURCE DEVELOPMENT FUND					
NATIONAL GUARD RETIREMENT SYSTEM					
STUDENT REVOLVING LOAN FUND					
ARTICLE 20					
RESTRICTED RECEIPTS, U OF A					
MAINTENANCE AND BUILDING FUND					
PERMANENT FUND DIVIDEND FUND					
UNIVERSITY OF ALASKA REVENUE BONDS					
MISCELLANEOUS FEDERAL					
JUDICIAL COURTS SYSTEM G.O. BONDS					
IFC STATE ASSISTED BONDS					
IFC HOME MORTGAGE BONDS					
IFC GUARANTEED VETERANS' BONDS					
SMALL BUSINESS LOAN FUND					
AGRICULTURE REVOLVING LOAN FUND					
CORRECTIONAL INDUSTRIES FUND					
*** TOTALS ***				\$307,043,800	\$307,043,800

COMMITTEE REPORT
HOUSE

FURTHER:

Date: 5-9-84

Mr. Speaker:

The Committee on FINANCE has had HB 698

"An Act relating to marijuana; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 698 (Subcommittee) same title
 new title
- and recommends individual recommendations
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 4-19-84
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

 NELLO H. HERRICK
 WALTER FUMARECA

MEMBERS HAVING
OTHER RECOMMENDATIONS:

 CHAIRMAN

Levy

Offered: 5/7/84
Referred: Rules

Original sponsor: Judiciary Committee

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 698 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to marijuana; and providing for an
7 effective date."

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

9 * Section 1. FINDINGS. (a) The legislature finds that

10 (1) THC, the mind altering ingredient in marijuana, is not
11 soluble in water, but goes into the fatty tissues of the brain, testicles,
12 ovaries, and other internal organs, and takes 30 days to be eliminated from
13 the body;

14 (2) the buildup of THC in the body causes the user to smoke more
15 marijuana to achieve the desired high and may result in loss of sleep,
16 appetite, and initiative, as well as moodiness and depression;

17 (3) it is possible for a human being to overdose from the use of
18 marijuana, especially if it is used in conjunction with alcohol, because it
19 increases the effects of alcohol;

20 (4) the THC content of a marijuana cigarette 10 years ago was
21 one percent, but is as high as 10 percent per cigarette today;

22 (5) marijuana causes schizophrenia, illusions, and hallucina-
23 tions, including a dulling of the senses, creating the possibility that the
24 user is unable to respond to body signals, such as pain;

25 (6) although it may take a heavy cigarette smoker as long as 20
26 years to develop lung cancer, one marijuana cigarette a day may cause lung
27 cancer in three years;

28 (7) THC affects eggs, sperm, sexual hormones, and the develop-
29 ment of a fetus, and marijuana use may result in deformed or undersized

1 offspring;

2 (8) other physical reactions to marijuana include irreversible
3 changes in the brain, sinusitis, pharyngitis, bronchitis, emphysema, in-
4 creased heart rate, and decreased blood circulation; and

5 (9) other psychological reactions to marijuana include loss of
6 memory; impairment in thinking, reading comprehension, and verbal and
7 arithmetic problem solving; impairment of perception of distance and time;
8 and anxiety, panic, paranoia, psychosis, and psychological dependence.

9 (b) The legislature further finds there is a legitimate and com-
10 pelling governmental interest, based on testimonial evidence, that the
11 public health and welfare will suffer if personal use of marijuana even in
12 small amounts is allowed.

13 * Sec. 2. AS 11.71.060(a) is amended to read:

14 (a) Except as authorized in AS 17.30 or AS 17.35, a person
15 commits the crime of misconduct involving a controlled substance in
16 the sixth degree if the person

17 (1) uses or displays any amount of a schedule VIA con-
18 trolled substance or possesses one or more preparations, compounds,
19 mixtures, or substances of an aggregate weight of less than one-half
20 pound [ONE OUNCE OR MORE] containing a schedule VIA controlled sub-
21 stance [ON A PUBLIC STREET OR SIDEWALK OR ON THE PREMISES OF A PUBLIC
22 CARRIER OR BUSINESS ESTABLISHMENT OR IN ANY OTHER PUBLIC PLACE]; or

23 [(2) KNOWINGLY POSSESSES ANY AMOUNT OF A SCHEDULE VIA
24 CONTROLLED SUBSTANCE WITHIN THE IMMEDIATE CONTROL OF THAT PERSON WHILE
25 OPERATING A PROPELLED VEHICLE;

26 (3) BEING UNDER 19 YEARS OF AGE, POSSESSES ONE OR MORE
27 PREPARATIONS, COMPOUNDS, MIXTURES, OR SUBSTANCES OF AN AGGREGATE
28 WEIGHT OF LESS THAN FOUR OUNCES CONTAINING A SCHEDULE VIA CONTROLLED
29 SUBSTANCE;

1 (4) POSSESSES ONE OR MORE PREPARATIONS, COMPOUNDS, MIX-
2 TURES, OR SUBSTANCES OF AN AGGREGATE WEIGHT OF FOUR OUNCES OR MORE
3 CONTAINING A SCHEDULE VIA CONTROLLED SUBSTANCE; OR]

4 (2) [(5)] refuses entry into a premises for an inspection
5 authorized under AS 17.30.

6 * Sec. 3. AS 11.71.070 is repealed.

7 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).

FISCAL NOTE

Revision Date: April 19, 1984

REQUEST

Bill/Resolution No. HB 698 (710)
 Title: "An Act relating to
 marijuana..."

Sponsor: House Judiciary
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Department of Law
 Program Category Affected: _____
Administration of Justice
 BRU, Program or Subprogram(s) Affected:
Prosecution

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		142.9	151.5	160.6	170.2	180.4
200 TRAVEL		6.5	6.9	7.3	7.7	8.2
300 CONTRACTUAL		61.5	63.8	41.2	43.7	46.3
400 SUPPLIES		17.4	12.1	12.8	13.6	14.4
500 EQUIPMENT		7.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		235.8	234.3	221.9	235.2	249.3
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		235.8	234.3	221.9	235.2	249.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME		4	4	4	4	4
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Richard I. Pegues Director
 Division: Administrative Services
 Approved by Commissioner: Norman C. Gorsuch
 Agency: Department of Law

Phone: 465-3672
 Date: 4/19/84
 Date: 4/19/84

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

April 19, 1984

HB 698 is a blanket provision which would make possession or use of less than one-half pound of marijuana by anyone a class B misdemeanor. Some of the conduct which this bill would cover (such as use or display of any amount in a public place, possession of any amount while operating a motor vehicle, or possession of more than four ounces of marijuana anywhere) is a class B misdemeanor under existing law. See AS 11.71.060. Some of the conduct which this bill would make a crime (such as delivery of less than one-half ounce or possession of less than one ounce in public) is classified under current law as a "violation", punishable by a fine. See AS 11.71.070. The penalties under current law for other conduct such as delivery of one-half ounce or more, delivery to a minor, or possession of any amount on school grounds would not be altered. Penalties under existing law for these offenses range from A misdemeanor to B felony level. See AS 11.71.030, .040, and .050.

The passage of HB 698 would have fiscal impact on the Department of Law in three general areas: (1) the cost of defending the new law against constitutional challenge; (2) the cost of processing the resulting additional criminal cases; and (3) the cost of educating the public about the new law. These three areas are discussed separately below.

1. Defending the New Law

In 1975 the Alaska Supreme Court in the case of Ravin v. State, 537 P.2d 497 (Alaska 1975), ruled that under Art. I, Sec. 22 of the Alaska Constitution the state could not prohibit possession of marijuana by adults in their own homes for personal use. The court held that the state had not demonstrated the existence of a legitimate state interest which was strong enough to justify the regulation of this conduct.

Since passage of HB 698 would make it a crime for an adult to possess any amount of marijuana anywhere, including in his or her own home, the constitutionality of the new law is certain to be challenged. An appellate court will have to decide whether the state has proved that there is a "compelling state interest" in the prohibition of the use of marijuana which is sufficient to outweigh an individual's right to privacy under the state constitution. It is extremely important, therefore, that the legislature's consideration of this bill include extensive public hearings, debate on the social policy merits of the proposal, and the collection of the results of the most recent scientific, medical, and pharmacological studies regarding the physical, emotional, and social effects of marijuana usage.

In addition to the necessary legislative hearings, evidentiary hearings at the trial court level can be expected when a challenge to the new law is filed. Challenges to the new law will most likely arise in the context of a defendant's pretrial motion to dismiss a criminal prosecution. When responding to such a defense motion, the prosecutor would, in essence, have to convince a court to reverse the ruling in the Ravin case. In order to demonstrate that the result in Ravin is no longer correct, the prosecutor would have to present convincing, scientifically accurate, evidence that the effects of marijuana usage are so injurious to a person's mental and physical health as to justify the legislative decision to totally prohibit use of marijuana by anyone at any time (as opposed to use by minors or use by a person who is operating a motor vehicle--both of which are already prohibited under current law).

The presentation of this convincing evidence will require the prosecution to present expert testimony from authorities who have conducted recent research in this area. Out-of-state witnesses in medical and scientific fields charge a fee for their services. These fees will vary from individual to individual, but are expected to average at least \$100 per hour. This would include services for consultation, witness preparation and actual testimony. Costs will be incurred for expert witness

transportation, food and lodging, and other incidental expenses. Additionally, there will be some costs for preparation of exhibits and written reports. To the extent possible, the Department of Law would attempt to present written testimony in situations where it is not feasible to fly a person to Alaska to testify in person. We estimate that a minimum of six expert witnesses will be required to attempt to successfully defend the new law at the trial court level.

Hearings at the trial court level can reasonably be expected to take several days. A substantial commitment of attorney time will be required for scientific and legal research in preparation for the hearings, actual court time, legal briefing, and the preparation of proposed findings of fact. Since prosecutions under the new law will occur statewide, defense challenges may be raised at the same time in different parts of the state. The extensive hearings described above may have to be held in more than one judicial district in the state.

Regardless of which side prevails at the trial court level, the lower court ruling would almost certainly be followed by an appeal. At a minimum, such an appeal (or appeals) would require additional legal research, a thorough review of the record, the drafting of briefs, and oral argument before the

appellate court. Although these appeals would present an increased workload for the criminal division attorneys assigned to appellate work, no additional funding is requested for this aspect of HB 698's fiscal impact.

2. New Criminal Cases

Although some of the conduct included within the scope of HB 698 is already against the law, much behavior which is now classified as a "violation" or which is not now an offense of any sort will become a misdemeanor crime. It is difficult to accurately predict in advance the impact which the passage of HB 698 will have on the criminal justice system.

Some law enforcement officers who work primarily in the drug enforcement area believe that the new law could potentially result in "thousands" of new misdemeanor cases a year. They believe that the bill would cause an increased enforcement effort both in the areas not now covered by existing law and against persons who commit minor offenses which are already against the law. A great number of the new cases would arise from situations where law enforcement officers now commonly discover small amounts of marijuana (as when an officer responds to a domestic disturbance call and sees some marijuana plants in a person's

home, or when a person is arrested for a minor offense and a routine search for weapons reveals some marijuana cigarettes in the person's pocket, for example). Incidents of this sort occur frequently now, but do not generally result in any criminal prosecution for the marijuana possession. Many of these cases are likely to be referred for criminal prosecution if HB 698 becomes law.

Prosecutors generally predict a lesser number of new potential criminal cases under HB 698 than do police. Once the public becomes aware of the new law, people are likely to be more careful about not allowing marijuana or smoking paraphernalia to be exposed in plain view in their homes, for example. Judging from the number of minor marijuana offenses prosecuted prior to the Ravin decision in 1975, prosecutors expect a "few hundred" new criminal cases a year.

Cases which are accepted for prosecution will require attorney time both at trial and in preparation for trial (i.e., preparation of search warrants, response to defense motions, evaluation of results of laboratory analysis, pretrial witness preparation, etc.). To handle screening of the expected case referrals, and to prosecute the additional cases, the criminal division will require the addition of at least one Attorney III

position. It is anticipated that this additional position will be used to add one half-time attorney in both the Anchorage and Fairbanks District Attorney's offices.

It is anticipated that a large percentage (perhaps 50-75%) of the defendants in the new cases will be first time offenders who will be eligible for pretrial diversion. Given the light sentences which these persons are likely to receive if convicted, pretrial diversion (including required community work service) appears to be a well justified use of criminal justice system resources. Even if a case is diverted however, attorney time is required to screen the case and make the diversion arrangements. New pretrial diversion personnel will be needed to supervise the new cases. Existing pretrial diversion offices are now working at full capacity. The addition of hundreds of new cases to an already full caseload will require, at a minimum, the addition of two new full-time positions. This fiscal note therefore includes funding for a paralegal II position for the Anchorage office. (This person would also be responsible for new cases in Palmer.) Funding of one additional community counselor is also required. This position will be divided into two half-time positions, one assigned to the Northern region (Fairbanks), and one in the Southeast region.

3. Public Education

In order to inform the public of the changes in the law, the Department of Law will develop and disseminate public notices explaining the new law. These notices will include newspaper ads and brochures, and will be modeled upon the public education notices which were distributed statewide in connection with the new drug law in 1982 and the new DWI and drinking age laws in 1983. Based upon experience with these earlier notices, approximately \$15,000 will be needed to cover the costs of writing, layout, typesetting, publication, and distribution.

In addition to the costs explained above, it is anticipated that the passage of this bill will result in increased costs to other components of the criminal justice system, including law enforcement, the courts, the public defender agency, and corrections.

4/19/84

Fiscal Analysis
CSHB 698 (Fin)

1. Defending the New Law

Admin. & Support Component/Prosc. - BRU

<u>Object</u>	<u>Total</u>
Contractual Services - Professional fees scientific experts 120 hrs. X \$100 = \$12,000	\$12,000
Experts' staff support, preparation of exhibits, written testimony 50 hrs. X \$40 = \$2,000	2,000
Experts' travel to attend hearings and offer testimony 6 trips X 4 days X \$80 = \$1,920 subsistence 6 trips X \$1,500 = \$9,000 travel	1,920 9,000
	<u>\$24,920</u>

This amount will be required for both FY 85 and FY 86, to cover both trials and appeals.

2. New Criminal Cases

Third Judicial District - Anchorage

	<u>Atty. III (PPT)</u>	<u>Total</u>
Personal Services	30.0	30.0
Travel - Witness travel subsistence, atty. travel	1.5	1.5
Contractual Services		
office commo. equip. repairs	2.4	2.4
copy - postage	1.2	<u>1.2</u>
		3.6
Commodities - Ongoing		
office consumables	1.8	1.8
Law library	1.2	1.2
Commodities - one time		
New position materials	1.2	<u>1.2</u>
		4.2
Equipment - one time		
New position equipment	1.5	1.5
		<hr/>
		40.8

Fourth Judicial District - Fairbanks

	<u>Atty. III (PPT)</u>	<u>Total</u>
Personal Services	34.1	34.1
Travel - Witness travel subsistence, Atty. travel	1.5	1.5
Contractual Services		
office commo., equip. repair	2.4	2.4
copy - postage	1.2	<u>1.2</u>
		3.6
Commodities - Ongoing		
office consumables	1.8	1.8
Law library	1.2	1.2
Commodities - one time		
New position materials	1.2	<u>1.2</u>
		4.2
Equipment - one time		
New position equipment	1.5	1.5
		<hr/>
		44.9

Pretrial Diversion

	<u>Paralegal Asst. ANC-PFT</u>	<u>Comm. Couns. FAI-PPT</u>	<u>Comm. Couns. JNU-PPT</u>	<u>Total</u>
Personal Services	40.6	20.3	17.9	78.8
Travel - Staff travel/subsistence to outlying areas	1.5	1.0	1.0	3.5
Contractual Services				
Office commo./equip repair	4.8	2.4	2.4	9.6
copy - postage	2.4	1.2	1.2	4.8
				<u>14.4</u>
Commodities - Ongoing office consumables	1.8	1.8	1.8	5.4
Commodities - one time New position materials	1.2	1.2	1.2	3.6
				<u>9.0</u>
Equipment - one time	1.5	1.5	1.5	4.5
	<u>53.8</u>	<u>29.4</u>	<u>27.0</u>	<u>110.2</u>

3. Public Education

Admin. & Support Component/Prosc. BRU

<u>Object</u>		<u>Total</u>
Contractual Services - one time writing, layout, typesetting, publication and distribution of public notices and information brochures describing the changes in the law.	15.0	15.0
		<hr/> 15.0

Summary of Expenses

	<u>Defending the new law</u>	<u>New Criminal Cases</u>	<u>Public Education</u>	<u>Total</u>
Personal Services		142.9		142.9
Travel		6.5		6.5
Contractual	24.9	21.6	15.0	61.5
Commodities		17.4		17.4
Equipment		7.5		7.5
	<hr/> 24.9	<hr/> 195.9	<hr/> 15.0	<hr/> 235.8

Costs beyond FY 85 include a 6% inflation factor, less one-time items. The costs for defending the new law will occur in both FY 85 and FY 86 and they will be eliminated thereafter.

1.	POSITION TITLE ATTORNEY III			RANGE/STEP 22A	ORG. UNIT PX	FORM 12 PAGE/LINE	GOV	APPROV	DISAP
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 8	LEG	

3.	CONTINUATION LEVEL			ADDITION	
4.	TYPE OF EXPENDITURE			AMOUNT	
	1	2	3		
PERSONAL SERVICES					
5.	Salary	1,950 X 12	23,400		
6.	Benefits		3,838		
7.	Supplemental Benefits		1,434		
8.	Fixed Benefits		1,320		
9.	TOTAL PERSONAL SERVICES		01	29,992	
10.	Travel		02	1,500	
11.	Contractual		03	3,600	
12.	Commodities		04	4,200	
13.	Equipment		05	1,500	
14.	Other				
15.	TOTAL COST			40,792	

JUSTIFICATION

This permanent part-time position is required to handle the influx of new cases that will result when marijuana violations, or any use of marijuana, which is not now a violation, become misdemeanor offenses. Prosecutors expect that at least a few hundred such offenses will occur each year as a result of the enactment of HB 698. This position will be responsible for prosecuting those new cases that are brought in the Third Judicial District. Because these new cases will be classed as misdemeanor offenses, allocation of the position to the Attorney III level is appropriate.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	40,792
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR D&M USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR
NEW POSITION

AGENCY DEPARTMENT OF LAW
PROGRAM DUE PROCESS
BRU PROSECUTION
COMPONENT THIRD JUDICIAL DISTRICT

Page 1 of 1
Revised Date

FY 85

1.	POSITION TITLE ATTORNEY III				RANGE/STEP 22A	DARG. UNIT PX	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 16	LEG.		

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary 2,232 X 12	26,784	
6.	Benefits	4,393	
7.	Supplemental Benefits	1,642	
8.	Fixed Benefits	1,320	
9.	TOTAL PERSONAL SERVICES	01	34,139
10.	Travel	02	1,500
11.	Contractual	03	3,600
12.	Commodities	04	4,200
13.	Equipment	05	1,500
14.	Other		
15.	TOTAL COST		44,939

JUSTIFICATION

This permanent part-time position is required to handle the influx of new cases that will result when marijuana violations, or any use of marijuana, which is not now a violation, become misdemeanor offenses. Prosecutors expect that at least a few hundred offenses will occur each year as a result of the enactment of HB 698. This position will be responsible for prosecuting those new cases that are brought in the Fourth Judicial District. Because these new cases will be classed as misdemeanor offenses, allocation of the position to the Attorney III level is appropriate.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	44,939
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR D&M USE ONLY
4A KEY NUMBER _____

AGENCY DEPARTMENT OF LAW
PROGRAM DUE PROCESS
DRU PROSECUTION
COMPONENT FOURTH JUDICIAL DISTRICT

13 REQUEST FOR NEW POSITION

Page 1 of 1
Revised Date

FY 85

1.	POSITION TITLE PARALEGAL ASSISTANT II				RANGE/STEP 16A	ORG. UNIT GGU	FORM 12 PAGE/LINE	GOV	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 8	LEG.		

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary 2,573 X 12	30,876	
6.	Benefits	5,064	
7.	Supplemental Benefits	1,893	
8.	Fixed Benefits	2,736	
9.	TOTAL PERSONAL SERVICES	01	40,569
10.	Travel	02	1,500
11.	Contractual	03	7,200
12.	Commodities	04	3,000
13.	Equipment	05	1,500
14.	Other		
15.	TOTAL COST		53,769

JUSTIFICATION

This full-time position is required to oversee community work service assignments for those misdemeanant offenders who are screened into the state's Pretrial Diversion Program. Because a large percentage of defendants in the new cases that will result from enactment of HB 698 will be first-time offenders, as many as 50% of these defendants may be eligible for pretrial diversion. This position will be responsible for providing pretrial diversion services in the Anchorage and Palmer area.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	53,769
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR O&M USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF LAW
PROGRAM DUE PROCESS
DRU PROSECUTION
COMPONENT PRETRIAL DIVERSION

Page 1 of 1
Revised Date

FY 85

1.	POSITION TITLE COMMUNITY COUNSELOR				RANGE/STEP 14A	ORG. UNIT GGU	FORM 12 PAGE/LINE	GOV	APPROV	DISAPP
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 4	LEG		

3.	CONTINUATION LEVEL			ADDITION	
4.	TYPE OF EXPENDITURE				AMOUNT
	1		2		3
	PERSONAL SERVICES				
5.	Salary	1,121 X 12		13,452	
6.	Benefits			2,206	
7.	Supplemental Benefits			825	
8.	Fixed Benefits			1,368	
9.	TOTAL PERSONAL SERVICES			01	17,851
10.	Travel		02		1,000
11.	Contractual		03		3,600
12.	Commodities		04		3,000
13.	Equipment		05		1,500
14.	Other				
15.	TOTAL COST				26,951

JUSTIFICATION

This permanent part-time position is required to oversee community work service assignments for those misdemeanor offenders who are screened into the state's Pretrial Diversion Program. Because a large percentage of defendants in the new cases that will result from enactment of HB 698 will be first-time offenders, as many as 50% of these defendants may be eligible for pretrial diversion. This position will be responsible for providing pretrial diversion services in the Southeast Region, centered at Juneau.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	26,951
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR O&M USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR
NEW POSITION

AGENCY DEPARTMENT OF LAW
PROGRAM DUE PROCESS
DRU PROSECUTION
COMPONENT PRETRIAL DIVERSION

Page 1 of 1
Revised Date

FY 85

1.	POSITION TITLE COMMUNITY COUNSELOR			RANGE/STEP 14A	ORG. UNIT GGU	FORM 12 PAGE/LINE	GOV	APPROV	DISAP
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 15	LEG	
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	1,287 X 12	15,444						
6.	Benefits		2,533						
7.	Supplemental Benefits		947						
8.	Fixed Benefits		1,368						
9.	TOTAL PERSONAL SERVICES		01	20,292					
10.	Travel		02	1,000					
11.	Contractual		03	3,600					
12.	Commodities		04	3,000					
13.	Equipment		05	1,500					
14.	Other								
15.	TOTAL COST			29,392					

RANGE/STEP 14A	ORG. UNIT GGU	FORM 12 PAGE/LINE	GOV	APPROV	DISAP
DRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 15	LEG		

JUSTIFICATION

This permanent part-time position is required to oversee community work service assignments for those misdemeanor offenders who are screened into the state's Pretrial Diversion Program. Because a large percentage of defendants in the new cases that will result from enactment of HB 698 will be first-time offenders, as many as 50% of these defendants may be eligible for pretrial diversion. This position will be responsible for providing pretrial diversion services in the Northern Region, centered at Fairbanks.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	29,392
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR D&H USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR
NEW POSITION

AGENCY DEPARTMENT OF LAW
PROGRAM DUE PROCESS
DRU PROSECUTION
COMPONENT PRETRIAL DIVERSION

Page 1 of 1
Revised Date

FY 85

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 30, 1984

I. REQUEST

Bill/Resolution No.: HB698
Title: "An Act relating to Marijuana"
Sponsor: House Judiciary
Requestor: _____
Date of Request: _____

II. FISCAL DETAIL

Agency Affected: Dept. of Admin.
Program Category Affected: Due Process
BRU, Program of Subprogram(s) Affected: Public Defender Agency

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		127.9	135.6	143.7	152.3	161.4
200 TRAVEL		6.0	6.4	1.5	1.6	1.7
300 CONTRACTUAL		11.0	11.7	3.6	3.8	4.0
400 COMMODITIES		2.0	2.1	2.2	2.3	2.4
500 EQUIPMENT		3.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	149.9	155.8	151.0	160.0	169.5
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	149.9	155.8	151.0	160.0	169.5
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL	-0-	149.9	155.8	151.0	160.0	169.5

POSITIONS:

FULL-TIME	-0-	2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						
TOTAL	-0-	2.0	2.0	2.0	2.0	2.0

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Fund

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Bob Stokes Bob Stokes, Admin. Off. Phone: 273-7541
Division: Dana Fabelo Dana Fabelo, Public Defender Date: April 30, 1984
Approved by Commissioner: Lisa Rudd Date: 5/8/84
Department: Administration

1984 MAY - 1 A 11
RECEIVED
DEPT. OF ADMINISTRATION
OFFICE OF COMMISSIONER

Distribution:

Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor)

9/14/83

FISCAL NOTE ANALYSIS
HB 698

ALASKA PUBLIC DEFENDER AGENCY
April 30, 1984

HB 698 would criminalize a wide range of conduct involving the use and possession of marijuana, making it punishable by incarceration and thus requiring representation by an attorney.

The Department of Law predicts that it would prosecute at least several hundred of these cases a year, both in Fairbanks and in Anchorage. Furthermore, costly and time consuming challenges to the new law would be required as an integral part of the defense of these cases.

The Alaska Supreme Court in Ravin v. State found that insufficient evidence of marijuana's harm existed to justify the invasion of personal privacy which a prosecution for possession in the home would entail. In order for this bill to overcome that ruling, the trial courts will have to hold hearings to hear new evidence on the harmfulness of marijuana. The defense will prepare extensive written motions on this subject, involving substantial attorney time. Both sides will be calling medical and scientific experts to testify on the most recent data regarding marijuana and its effects.

Based on the state's predictions regarding the probable number of prosecutions, it will be necessary to have two additional attorneys for the Public Defender Agency, one each for our Anchorage and Fairbanks offices, to handle the defense and appeal of these new cases. This assessment is based in part on the national caseload standards which recommend that an assistant public defender handle no more than a maximum of 400 misdemeanor cases per year. Furthermore, each attorney will also be handling the extensive motion work, hearings with experts, and appeals which will be involved with this bill.

BUDGET SUMMARY

HB698

Third Judicial District - Anchorage:

Personal Services - Attorney III	60.0
Travel - Experts	3.5
Contractual - Experts	6.5
Commodities - Law Library	1.0
Equipment - One Time	<u>1.5</u>
	72.5

Fourth Judicial District - Fairbanks:

Personal Services - Attorney III	67.9
Travel - Experts	2.5
Contractual - Experts	4.5
Commodities - Law Library	1.0
Equipment - One Time	<u>1.5</u>
	77.4
TOTAL	149.9

1.	POSITION TITLE Attorney III				RANGE/STEP 22A	BARG. UNIT PX	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.																						
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 8	LEG.																								
3.	CONTINUATION LEVEL				JUSTIFICATION																											
4.	TYPE OF EXPENDITURE																															
	1		2		3																											
	PERSONAL SERVICES																															
5.	Salary \$3900/mo.		46,800																													
6.	Benefits		8,007																													
7.	Supplemental Benefits		2,550																													
8.	Fixed Benefits		2,630																													
9.	TOTAL PERSONAL SERVICES		01		59,987																											
10.	Travel		02		3,500																											
11.	Contractual		03		6,500																											
12.	Commodities		04		1,000																											
13.	Equipment		05		1,500																											
14.	Other																															
15.	TOTAL COST				72,487																											
<table border="1"> <thead> <tr> <th>RECEIPT CODE</th> <th>FUNDING SOURCE</th> <th></th> </tr> </thead> <tbody> <tr> <td>16.</td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td>17.</td> <td>G.F. Match 1003</td> <td></td> </tr> <tr> <td>18.</td> <td>General Funds 1004</td> <td>72,487</td> </tr> <tr> <td>19.</td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td>20.</td> <td>Program Receipts 1028</td> <td></td> </tr> <tr> <td>21.</td> <td>Other</td> <td></td> </tr> </tbody> </table>											RECEIPT CODE	FUNDING SOURCE		16.	Federal Receipts 1002		17.	G.F. Match 1003		18.	General Funds 1004	72,487	19.	I-A Receipts 1005		20.	Program Receipts 1028		21.	Other		
RECEIPT CODE	FUNDING SOURCE																															
16.	Federal Receipts 1002																															
17.	G.F. Match 1003																															
18.	General Funds 1004	72,487																														
19.	I-A Receipts 1005																															
20.	Program Receipts 1028																															
21.	Other																															
<table border="1"> <tr> <td colspan="11">FOR B&M USE ONLY</td> </tr> <tr> <td colspan="11">4A KEY NUMBER _____</td> </tr> </table>											FOR B&M USE ONLY											4A KEY NUMBER _____										
FOR B&M USE ONLY																																
4A KEY NUMBER _____																																

This Attorney III position is required to handle the influx of new cases that will result when marijuana violations, or any use of marijuana which is not now a violation, become misdemeanor offenses. The Department of Law expects that at least a few hundred such offenses will occur each year as a result of the enactment of HB698. This position will be responsible for defending those new cases that are brought in the Third Judicial District and will also handle all resulting appeals. Because these new cases will be classed as misdemeanor offenses, allocation of the position to the Attorney III level is appropriate.

13 REQUEST FOR
NEW POSITION

AGENCY Dept. of Administration
PROGRAM Due Process
BRU Public Defender Agency
COMPONENT Third Judicial District

FY 85

Page 1 of 2
Revised Date 4/30/84

1.	POSITION TITLE Attorney III				RANGE/STEP 22A	BARC. UNIT PX	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 16	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	\$4464/mo	53,568							
6.	Benefits		9,165							
7.	Supplemental Benefits		2,550							
8.	Fixed Benefits		2,630							
9.	TOTAL PERSONAL SERVICES		01		67,913					
10.	Travel		02		2,500					
11.	Contractual		03		4,500					
12.	Commodities		04		1,000					
13.	Equipment		05		1,500					
14.	Other									
15.	TOTAL COST				77,413					
	RECEIPT CODE				FUNDING SOURCE					
16.					Federal Receipts 1002					
17.					G.F. Match 1003					
18.					General Funds 1004					
19.					I-A Receipts 1005					
20.					Program Receipts 1028					
21.					Other					
FOR D&M USE ONLY										
4A KEY NUMBER _____										

This Attorney III position is required to handle the influx of new cases that will result when marijuana violations, or any use of marijuana which is not now a violation, become misdemeanor offenses. The Department of Law expects that at least a few hundred such offenses will occur each year as a result of the enactment of HB698. This position will be responsible for defending those new cases that are brought in the Fourth Judicial District and will also handle all resulting appeals. Because these new cases will be classed as misdemeanor offenses, allocation of the position to the Attorney III level is appropriate.

13 REQUEST FOR
NEW POSITION

AGENCY Dept. of Administration
PROGRAM Due Process
BRU Public Defender Agency
Fourth Judicial District
COMPONENT _____

Page 2 of 2
Revised Date 4/30/84

FY 85

COMMITTEE REPORT

5/10

HOUSE

Rules

(11)

ARTHER:

5/7/84

Action
Revised on
accepting
Finance CS
5-9-84
to accept quo

5-8-84

The Committee on FIN

HB 698

"An Act relating to :

n effective date."

under consideration and

[] do pass [] do not pass

[] do pass with attached amendments(s)

[X] replace with CS for HB 698 (Fin) [X] same title [] new title

and recommends Individual Recommendations

[] AND attaches a "Letter of Intent" [X] New Fiscal Note 4-19-84

[] reports it back without recommendation [] Zero Fiscal Note Attached

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Walt Furnace
Vernon Harbo
J.H. [unclear]

MILLO H. FRITZ (No Rec)
LINDAUER - Do Not Pass unless Penalties increased.
[unclear] (No Rec)
[unclear] (No Rec)
[unclear] (No Rec)
[unclear] No Rec.
[unclear] No Rec

[unclear]
CHAIRMAN

COMMITTEE REPORT

5/10

HOUSE

Rules

(11)

FURTHER:

(Finance referral added 5/7/84)

Date:

5-8-84

5/7/84

The Committee on FINANCE has had HB 698

"An Act relating to marijuana; and providing for an effective date."

under consideration and recommends:

[] do pass [] do not pass

[] do pass with attached amendments(s)

[X] replace with CS for HB 698 (Fin) [X] same title [] new title

and recommends Individual Recommendations

[] AND attaches a "Letter of Intent" [X] ~~New~~ Fiscal Note 4-19-84

[] reports it back without recommendation [] Zero Fiscal Note Attached

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Walt Furnace
Vernon Harbo
J.H. Martin

MEMBERS HAVING
OTHER RECOMMENDATIONS:

MILTON H. FRITZ (NO REC)
LINDAUER - Do not Pass unless Penalties increased.
Ben [unclear] (No Rec)
Ed Duncan (No Rec)
Just [unclear] (No Rec)
J.B. Stewart No Rec.
Robert. Adams No Rec

Robert. Adams
CHAIRMAN

Original sponsor: Judiciary Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 698 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to marijuana; and providing for an
7 effective date."

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

9 * Section 1. FINDINGS. (a) The legislature finds that

10 (1) THC, the mind altering ingredient in marijuana, is not
11 soluble in water, but goes into the fatty tissues of the brain, testicles,
12 ovaries, and other internal organs, and takes 30 days to be eliminated from
13 the body;

14 (2) the buildup of THC in the body causes the user to smoke more
15 marijuana to achieve the desired high and may result in loss of sleep,
16 appetite, and initiative, as well as moodiness and depression;

17 (3) it is possible for a human being to overdose from the use of
18 marijuana, especially if it is used in conjunction with alcohol, because it
19 increases the effects of alcohol;

20 (4) the THC content of a marijuana cigarette 10 years ago was
21 one percent, but is as high as 10 percent per cigarette today;

22 (5) marijuana causes schizophrenia, illusions, and hallucina-
23 tions, including a dulling of the senses, creating the possibility that the
24 user is unable to respond to body signals, such as pain;

25 (6) although it may take a heavy cigarette smoker as long as 20
26 years to develop lung cancer, one marijuana cigarette a day may cause lung
27 cancer in three years;

28 (7) THC affects eggs, sperm, sexual hormones, and the develop-
29 ment of a fetus, and marijuana use may result in deformed or undersized

1 offspring;

2 (8) other physical reactions to marijuana include irreversible
3 changes in the brain, sinusitis, pharyngitis, bronchitis, emphysema, in-
4 creased heart rate, and decreased blood circulation; and

5 (9) other psychological reactions to marijuana include loss of
6 memory; impairment in thinking, reading comprehension, and verbal and
7 arithmetic problem solving; impairment of perception of distance and time;
8 and anxiety, panic, paranoia, psychosis, and psychological dependence.

9 (b) The legislature further finds there is a legitimate and com-
10 pelling governmental interest, based on testimonial evidence, that the
11 public health and welfare will suffer if personal use of marijuana even in
12 small amounts is allowed.

13 * Sec. 2. AS 11.71.060(a) is amended to read:

14 (a) Except as authorized in AS 17.30 or AS 17.35, a person
15 commits the crime of misconduct involving a controlled substance in
16 the sixth degree if the person

17 (1) uses or displays any amount of a schedule VIA con-
18 trolled substance or possesses one or more preparations, compounds,
19 mixtures, or substances of an aggregate weight of one ounce or more
20 containing a schedule VIA controlled substance [ON A PUBLIC STREET OR
21 SIDEWALK OR ON THE PREMISES OF A PUBLIC CARRIER OR BUSINESS
22 ESTABLISHMENT OR IN ANY OTHER PUBLIC PLACE;

23 (2) KNOWINGLY POSSESSES ANY AMOUNT OF A SCHEDULE VIA
24 CONTROLLED SUBSTANCE WITHIN THE IMMEDIATE CONTROL OF THAT PERSON WHILE
25 OPERATING A PROPELLED VEHICLE;

26 (3) BEING UNDER 19 YEARS OF AGE, POSSESSES ONE OR MORE
27 PREPARATIONS, COMPOUNDS, MIXTURES, OR SUBSTANCES OF AN AGGREGATE
28 WEIGHT OF LESS THAN FOUR OUNCES CONTAINING A SCHEDULE VIA CONTROLLED
29 SUBSTANCE;

1 (4) -POSSESSES ONE OR MORE PREPARATIONS, COMPOUNDS, MIX-
2 TURES, OR SUBSTANCES OF AN AGGREGATE WEIGHT OF FOUR OUNCES OR MORE
3 CONTAINING A SCHEDULE VIA CONTROLLED SUBSTANCE]; or

4 (2) [(5)] refuses entry into a premises for an inspection
5 authorized under AS 17.30.

6 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

CC

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 698
Title: An Act Relating to
Marijuana
Sponsor: _____
Requestor: _____
Date of Request: _____

FISCAL DETAIL
Agency Affected: Alaska Court System
Program Category Affected: _____
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

This zero fiscal note is based on the assumption that additional resources will not be added to State troopers, local police, or prosecuting attorney offices as a result of this legislation.

ANALYSIS: Attach a separate page for analysis

Prepared By: Richard Barrier Phone: 264-0545
Division: _____ Date: March 14, 1984

Approved by Commissioner: *[Signature]* Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

HB 698

Revision Date: _____

REQUEST
 Bill/Resolution No.: HB 698
 Title: "An act relating to marijuana..."
 Sponsor: Judiciary Committee
 Requestor: House Judiciary
 Date of Request: 3-16-84

FISCAL DETAIL
 Agency Affected: Public Safety
 Program Category Affected: Administration of Justice
 BRU, Program or Subprogram(s) Affected: Alaska State Troopers

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Francis C. Allan *F.C.A.* Phone: 269-5691
 Division: Alaska State Troopers *mcr* Date: 03/09/84

Approved by Commissioner: Robert J. Sundberg *[Signature]* Date: 3/23/84
 Agency: Public Safety *[Signature]*

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Introduced: 3/5/84
Referred: Judiciary

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

HOUSE BILL NO. 698

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to marijuana; and providing for an effective date."

7

8

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

9

* Section 1. AS 11.71.060(a) is amended to read:

10

(a) Except as authorized in AS 17.30 or AS 17.35, a person

11

commits the crime of misconduct involving a controlled substance in

12

the sixth degree if the person

13

(1) uses or displays any amount of a schedule VIA con-

14

trolled substance or possesses one or more preparations, compounds,

15

mixtures, or substances of an aggregate weight of less than one-half

16

pound [ONE OUNCE OR MORE] containing a schedule VIA controlled sub-

17

stance [ON A PUBLIC STREET OR SIDEWALK OR ON THE PREMISES OF A PUBLIC

18

CARRIER OR BUSINESS ESTABLISHMENT OR IN ANY OTHER PUBLIC PLACE]; or

19

[(2) KNOWINGLY POSSESSES ANY AMOUNT OF A SCHEDULE VIA

20

CONTROLLED SUBSTANCE WITHIN THE IMMEDIATE CONTROL OF THAT PERSON WHILE

21

OPERATING A PROPELLED VEHICLE;

22

(3) BEING UNDER 19 YEARS OF AGE, POSSESSES ONE OR MORE

23

PREPARATIONS, COMPOUNDS, MIXTURES, OR SUBSTANCES OF AN AGGREGATE

24

WEIGHT OF LESS THAN FOUR OUNCES CONTAINING A SCHEDULE VIA CONTROLLED

25

SUBSTANCE;

26

(4) POSSESSES ONE OR MORE PREPARATIONS, COMPOUNDS, MIX-

27

TURES, OR SUBSTANCES OF AN AGGREGATE WEIGHT OF FOUR OUNCES OR MORE

28

CONTAINING A SCHEDULE VIA CONTROLLED SUBSTANCE; OR]

29

(2) [(5)] refuses entry into a premises for an inspection

1 authorized under AS 17.30.

2 * Sec. 2. AS 11.71.070 is repealed.

3 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

3/29/84

Date: 4-5-84

The Committee on FINANCE has had HB 701

"An Act renaming Klutins Road as Brenwick/Craig Road."

under consideration and recommends:

do pass

do not pass

do pass with attached amendments(s)

replace with CS for _____

same title
 new title

and recommends _____

AND attaches a "Letter of Intent"

New Fiscal Note

reports it back without recommendation

Zero Fiscal Note Attached

referred to the _____

Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Walt Furnace
J. H. Martin
PHILO H. KRITZ

[Signature]
[Signature]
[Signature]

RP Bettsworth
CHAIRMAN

Introduced: 3/15/84
Referred: Transportation

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

HOUSE BILL NO. 701

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act renaming Klutina Road as Brenwick/Craig
Road."

7

8

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

9

* Section 1. AS 35.40 is amended by adding a new section to read:

10

Sec. 35.40.020. BRENWICK/CRAIG ROAD. Klutina Road near Copper

11

Center is renamed Brenwick/Craig Road.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 701
Title: Renaming Klutina Road

FISCAL DETAIL
Agency Affected: DOT/PF
Program Category Affected: _____

Sponsor: House Resources
Requestor: House Finance
Date of Request: 4/3/84

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

~~SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL~~

DOT/PF has submitted a fiscal note requesting \$700 to implement this bill. It is the decision of the House Finance Committee that this \$700 cost can be absorbed in the Department's existing appropriation and that no additional funds are necessary through the fiscal note accompanying HB 701.

ANALYSIS: Attach a separate page for analysis

Prepared By: Al Adams, Chair *ABA* Phone: 465-3706
Division: House Finance Committee Date: 4/3/84

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Revision Date: _____

REQUEST page 1 of 2
 BILL/Resolution No.: H.B. 701
 Title: Renaming Klutina Rd. as
 Brenwick/Craig Rd.
 Sponsor: Resources Committee
 Requestor: Rep. Cato
 Date of Request: 3/27/84

FISCAL DETAIL
 Agency Affected: DOT&PF
 Program Category Affected: Northern Region
 BRU, Program or Subprogram(s) Affected:
 Maintenance & Operations - Southcentral
 District

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING			.10			
100 Pers. Svc.						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment			.60			
600 Lnd & Struc						
700 Grnts, Clms						
800 Misc.						
TOTAL OPERATING			.70			
CAPITAL			.70			
REVENUE						

FUNDING: (Thousands of Dollars)

General Fund			.70			
Federal Funds						
Other						
Total			.70			

Positions:

Full-Time			-0-			
Part-Time			-0-			
Temporary			-0-			

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Source of offsetting funds not identified by sponsor.

ANALYSIS: Attach a separate page for analysis

Prepared By: D. Truax
 Division: Planning & Programming

Phone: 479-4281
 Date: 3-28-84

Approved by Commissioner: Dan Malick
 Agency: DOT&PF Daniel F. Malick

Date: 3/29/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Assumptions

Assume replacement of old road sign with new one identifying new road name and two new advance signs on the north and south ends of roads intersection. Signs would be erected by Maintenance & Operations forces.

Program Summary

Positions: No new positions would be required.

Other Expenditures: One new road sign at approximately \$200.00
Two new advance signs at approximately \$150.00 (each)
M&O forces time (based on 25% of equip. costs) = \$125.00
Total cost (rounded to nearest \$100.00) = \$700.00

Funding: Would assumably come from general funds.

Section Cost Analysis: Explained under "other expenditures".

Computations: Explained under "other expenditures".

Economic Impact: None

Impact on Local Government: None

BACKGROUND ON HOUSE BILL 701

RENAMING KLUTINA ROAD

THE KLUTINA ROAD HAD ITS BEGINNING IN THE FALL OF 1963 WHEN LEONARD BRENNICK AND OSCAR CRAIG WORKED TO CONSTRUCT AND MAINTAIN THIS ROAD AT THEIR OWN EXPENSE. THE ROAD FOLLOWS THE TRAIL USED BY THE MINERS OF 1898-99 IN TRAVELING FROM VALDEZ TO THE INTERIOR. ALONG THE EDGE OF THE ROAD ARE THE REMAINS OF CABINS USED BY THE MINERS WHEN THEY WERE FORCED TO WINTER THERE IN 1898.

LEONARD BRENNICK AND OSCAR CRAIG STARTED TO CONSTRUCT THIS PIONEER ROAD IN 1963 AND COMPLETED 12 MILES OF ITS 125 MILE LENGTH AT HIS OWN EXPENSE. PERMISSION FOR THIS PROJECT WAS GRANTED BY THE DEPARTMENT OF HIGHWAYS AND THE BUREAU OF LAND MANAGEMENT.

IN 1964 LEONARD BRENNICK WAS GIVEN A CONTRACT TO COMPLETE THE REMAINING 13 MILES. THIS CONTRACT AMOUNTED TO \$6,440.00 AND IT IS INTERESTING TO NOTE THE DEMANDS OF THE CONTRACT. THE CONTRACT STATED THAT IF HE DID NOT COMPLETE THE PROJECT WITHIN THE ESTIMATED COST THEN HE WOULD BE OBLIGATED TO COMPLETE THE REMAINDER OF THE ROAD AT HIS OWN EXPENSE. LEONARD ACTUALLY MET AND COMPLETED THIS CONTRACT--AT HIS OWN EXPENSE BECAUSE EVEN IN THOSE EARLY DAYS THIS WAS NOT ENOUGH MONEY FOR THIS SIZE PROJECT. OSCAR CRAIG ACTED AS HIS OPERATOR-MECHANIC. NEITHER OF THESE MEN DREW ANY SALARY FOR THEIR EFFORTS.

IT IS ESTIMATED THERE ARE 5 to 10 THOUSAND VISITORS USING THIS ROAD FOR HUNTING, FISHING, SIGHT SEEING AND THE GATHERING OF HISTORIC INFORMATION. THIS ROAD ENCOMPASSES ONE OF THE BETTER SCENIC AREAS OF ALASKA AND ITS HISTORIC ATTRIBUTES ARE UNSURPASSED.

THERE IS A PETITION ON FILE SIGNED BY 60 MEMBERS OF THE COMMUNITY OF COPPER CENTER REQUESTING THE TITLE CHANGE. THE TOTAL POPULATION OF THIS COMMUNITY IS APPROXIMATELY 250 PEOPLE AND THERE WOULD HAVE BEEN MORE SIGNATURES OBTAINED BUT TIME DENIED AS WE WANTED TO GET THIS NAME CHANGE ACCOMPLISHED THIS YEAR AND THE PETITION HAD TO BE MAILED TO JUNEAU.

BOTH OF THESE MEN ARE NOW DECEASED BUT THIS ROAD REMAINS AS A MONUMENT TO THEIR COMMUNITY EFFORT.

Introduced: 3/15/84
Referred: Transportation

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

HOUSE BILL NO. 701

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act renaming Klutina Road as Brenwick/Craig
7 Road."

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

9 * Section 1. AS 35.40 is amended by adding a new section to read:

10 Sec. 35.40.020. BRENWICK/CRAIG ROAD. Klutina Road near Copper
11 Center is renamed Brenwick/Craig Road.

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/7/84

Date: 4/10/84

The Committee on FINANCE has had HB 705

"An Act relating to the real estate surety fund."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 705 (2in) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note 4-2-84
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] - No Rec.

[Signature] - No Rec.

[Signature] (No Rec)

[Signature] (No Rec)

[Signature] (No Rec)

[Signature] - Pass if possible

[Signature] (No Rec)

[Signature]

[Signature]

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

501-911

Revision Date: April 2, 1984

REQUEST

Bill/Resolution No. CSHB 705 (fin)
Title: An Act relating to the real estate surety fund
Sponsor: Labor, Commerce & Finance
Requestor: Legislature
Date of Request: March 28, 1984

FISCAL DETAIL

Agency Affected: Real Estate Commission
Program Category Affected: Consumer Protection
BRU, Program or Subprogram(s) Affected: Real Estate Commission/Dept. of Comm. & Econ. Dev.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES			[67.0]	[70.0]	[75.0]	[75.0]
200 TRAVEL			[3.0]	[5.0]	[5.0]	[6.0]
300 CONTRACTUAL			[1.0]	[1.0]	[1.2]	[1.2]
400 SUPPLIES			[0.4]	[0.5]	[0.5]	[0.7]
500 EQUIPMENT			[1.0]	-0-	-0-	-0-
600 LAND & STRUCTURES			-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS			-0-	-0-	-0-	-0-
800 MISCELLANEOUS			-0-	-0-	-0-	-0-
TOTAL OPERATING			[72.4]	[76.5]	[81.7]	[82.9]
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND			[60.0]			
FEDERAL FUNDS						
OTHER SURETY			[12.4]			
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

- NOTE: 1. Fund payments reduced by 30,000 - 70,000 per year.
2. Current case load will be handled in FY '85 under existing law. Savings will result in FY '86.

ANALYSIS: Attach a separate page for analysis

Prepared By: James L. Magowan, Executive Director Phone: 563-2169
Division: Real Estate Commission Date: _____
Approved by Commissioner: Richard A. Lyon Date: 4/2/84
Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

SB #537/ HB ~~537~~ 705
Fiscal Note Analysis

FY 85 - The commission has enough backlog of claims either in hand or that will be received between now and a time that the bill could pass that this bill would not change the funding requirements for FY 85. The funds requested would be required to complete the work on hand.

The passage of the bill would essentially eliminate the costs of contracting hearing officers since hearing officers would no longer be employed to hear claims. This would reduce hearing officer costs, payable from the general fund by \$60,000 in FY 86. Hearing costs for claims that are awarded to claimants are payable from the surety fund. Eliminating these costs would result in a saving of \$12,400 to the surety fund in FY 86.

Surety fund savings ultimately go back to the licensee as reduced surety fees unless the funds are used for educational programs by the commission if appropriated by the legislature.

In addition to the appropriated costs shown there will be an additional amount of \$30,000 to \$80,000 (estimated) per year of unappropriated funds that will not be paid from the fund to successful claimants. This amount also will return to the licensees in reduced surety fees unless appropriated and used for educational programs.

Original sponsor: Labor and Commerce
Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 705 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the real estate surety fund."

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

8 * Section 1. AS 08.88.455(a) is amended to read:

9 (a) A licensed real estate broker, [OR] associate broker, or
10 salesman when obtaining or renewing a real estate license, in lieu of
11 obtaining a corporate surety bond, shall pay to the commission in
12 addition to the license fee, a surety fund [BOND] fee not to exceed
13 \$125 [, AND A LICENSED SALESMAN, WHEN OBTAINING OR RENEWING A LICENSE,
14 IN LIEU OF OBTAINING A CORPORATE SURETY BOND, SHALL PAY TO THE COMMIS-
15 SION IN ADDITION TO THE LICENSE FEE, A BOND FEE NOT TO EXCEED \$40].
16 After the fund reaches \$250,000 the commission shall by regulation
17 adjust the bond fees so that, taking into account anticipated expendi-
18 tures for claims against the fund and real estate educational pur-
19 poses, the fund is maintained at a level not less than \$250,000.

20 * Sec. 2. AS 08.88.460 is repealed and reenacted to read:

21 Sec. 08.88.460. CLAIM FOR PAYMENT. (a) A person who obtains a
22 final judgment in a court of competent jurisdiction against a person
23 licensed under this chapter, based on fraud, deceit, intentional
24 misrepresentation, or conversion of trust funds directly arising from
25 a transaction for which the judgment debtor is required to be licensed
26 under this chapter, may file an application in the court that enters
27 the judgment for an order directing payment out of the real estate
28 surety fund of an amount equal to the actual loss in the transaction
29 up to \$10,000 of the amount unpaid on the judgment.

1 (b) If a judgment under (a) of this section is a small claims
2 judgment, the judgment creditor shall file the surety fund application
3 in the district court in which the judgment was entered. That court
4 shall then make written findings to determine whether or not the small
5 claims judgment is based on facts that support a recovery under this
6 section. On a favorable determination the court may enter an order
7 directing payment of the small claims judgment from the real estate
8 surety fund.

9 (c) A copy of the application required by this section shall be
10 served on the commission and the judgment debtor by the judgment
11 creditor and proof of service shall be filed with the court.

12 (d) This section does not authorize payment from the real estate
13 surety fund based on a transaction or event involving only innocent
14 misrepresentation on the part of a real estate licensee.

15 (e) An application for payment from the real estate surety fund
16 must be made within one year after the date that the judgment becomes
17 final.

18 * Sec. 3. AS 08.88.465 is repealed and reenacted to read:

19 Sec. 08.88.465. HEARING ON APPLICATION. (a) The court shall
20 conduct a hearing on an application filed under AS 08.88.460.

21 (b) At a hearing conducted under this section the applicant is
22 required to show that the applicant

23 (1) is not the spouse of the judgment debtor, or the per-
24 sonal representative or agent of the spouse of the debtor;

25 (2) has complied with the requirements of AS 08.88.450 -
26 08.88.500;

27 (3) has obtained a judgment under AS 08.88.460, stating the
28 amount of the judgment and the amount owed on the judgment on the date
29 of the hearing;

1 (4) has made a reasonable attempt to determine whether or
2 not the judgment debtor has assets that may be used to satisfy the
3 judgment;

4 (5) has either been unable to locate assets of the judgment
5 debtor that may be used to satisfy the judgment, or has located assets
6 and has taken the necessary action to apply the assets to the judg-
7 ment, but the amount realized is not sufficient to satisfy the judg-
8 ment, stating the amount realized and the outstanding balance on the
9 judgment; and

10 (6) has diligently pursued other remedies against the
11 judgment debtor and anyone else who is liable in the transaction for
12 which recovery from the real estate surety fund is sought.

13 * Sec. 4. AS 08.88.470 is repealed and reenacted to read:

14 Sec. 08.88.470. FINDINGS OF THE COURT AND ADDITIONAL PROOF. (a)
15 When a court considers an application under AS 08.88.460 it may not
16 order payment out of the real estate surety fund unless a determina-
17 tion is made that the applicant has a valid claim under AS 08.88.460
18 and has complied with AS 08.88.465(b).

19 (b) If the judgment in favor of the applicant was obtained by
20 default, stipulation, or consent, or if the action was defended by a
21 trustee in bankruptcy, the applicant shall produce sufficient evidence
22 in the hearing on the application to prove that the cause of action
23 against the licensee was for fraud, intentional misrepresentation,
24 deceit, or conversion of trust funds.

25 * Sec. 5. AS 08.88 is amended by adding new sections to read:

26 Sec. 08.88.473. ORDER DIRECTING PAYMENT OUT OF FUND. If a court
27 finds after the hearing required by AS 08.88.465 that the real estate
28 surety fund should pay the claim, it shall enter an order directing
29 the commission to pay the claim from the real estate surety fund

1 subject to the limitations contained in AS 08.88.450 - 08.88.500.

2 Sec. 08.88.474. PRORATION OF AWARD. If a judgment under AS 08.-
3 88.460 is against more than one person licensed under this chapter and
4 the court does not prorate the judgment among the judgment debtors,
5 the commission shall prorate the award among the judgment debtors.

6 * Sec. 6. AS 08.88.475(b) is repealed and reenacted to read:

7 (b) The liability of the real estate surety fund does not exceed
8 \$10,000 for one transaction, regardless of the number of persons
9 injured, the number of licensees involved, or the number of parcels of
10 real estate involved in the transaction.

11 * Sec. 7. AS 08.88.490 is amended to read:

12 Sec. 08.88.490. RIGHT TO SUBROGATION. When the commission has
13 paid a judgment creditor [TO A CLAIMANT] from the real estate surety
14 fund [THE SUM AWARDED BY THE COMMISSION,] the commission shall be
15 subrogated to all of the rights of the judgment creditor [CLAIMANT] to
16 the amount paid and the judgment creditor [CLAIMANT] shall assign all
17 right, title and interest in that portion of the judgment [CLAIM] to
18 the commission. Amounts subsequently realized by the commission on
19 the judgment [CLAIM] shall be deposited to the real estate surety
20 fund.

21 * Sec. 8. AS 08.88.495 is repealed and reenacted to read:

22 Sec. 08.88.495. DISCIPLINARY ACTION AGAINST BROKERS AND SALES-
23 MEN. The provisions of AS 08.88.450 - 08.88.500 do not limit the
24 authority of the commission to take disciplinary action against a
25 licensee for a violation of the provisions of this chapter or of a
26 regulation adopted by the commission. Repayment in full of all obli-
27 gations to the real estate surety fund does not nullify or modify the
28 affect of a disciplinary proceeding brought under the provisions of
29 this chapter.

1 * Sec. 9. AS 08.88.500 is amended to read:

2 Sec. 08.88.500. DEFINITIONS [DEFINITION]. In this chapter,

3 (1) "commission" means the Real Estate Commission estab-
4 lished under this chapter;

5 (2) "final judgment" means a judgment that is not subject
6 to further judicial review.

7 * Sec. 10. AS 08.88.472 is repealed.
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

HB 705

Revision Date: April 2, 1984

REQUEST

Bill/Resolution No.: HB 705
 Title: An Act relating to the real estate surety fund
 Sponsor: Labor, Commerce & Finance
 Requestor: Legislature
 Date of Request: March 28, 1984

FISCAL DETAIL

Agency Affected: Real Estate Commission
 Program Category Affected: Consumer Protection
 BRU, Program or Subprogram(s) Affected: Real Estate Commission/Dept. of Comm. & Econ. Dev.

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES			[67.0]	[70.0]	[75.0]	[75.0]
200 TRAVEL			[3.0]	[5.0]	[5.0]	[6.0]
300 CONTRACTUAL			[1.0]	[1.0]	[1.2]	[1.2]
400 SUPPLIES			[0.4]	[0.5]	[0.5]	[0.7]
500 EQUIPMENT			[1.0]	-0-	-0-	-0-
600 LAND & STRUCTURES			-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS			-0-	-0-	-0-	-0-
800 MISCELLANEOUS			-0-	-0-	-0-	-0-
TOTAL OPERATING			[72.4]	[76.5]	[81.7]	[82.9]
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND			[60.0]			
FEDERAL FUNDS						
OTHER SURETY			[12.4]			
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

- NOTE: 1. Fund payments reduced by 30,000 - 70,000 per year.
 2. Current case load will be handled in FY '85 under existing law. Savings will result in FY '86.

ANALYSIS: Attach a separate page for analysis

Prepared By: James L. Magowan, Executive Director Phone: 563-2169
 Division: Real Estate Commission Date: _____
 Approved by Commissioner: Richard A. Lyon Date: 4/2/84
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

M E M O R A N D U M

April 10, 1984

To: House Finance Committee Members
Representative Al Adams, Chairman

From: Karla L. Forsythe *Karla L. Forsythe*
General Counsel, Alaska Court System

Subject: HB 705, relating to the real estate surety fund

Although the court system takes no position regarding the merits of this legislation, two minor amendments will alleviate possible problems in bringing the surety fund application process back under the court.

Section three of the bill requires the court to conduct a hearing within 30 days after service of a payment application on the real estate commission. As you are aware, the court's calendar is quite crowded. Expeditious and flexible case scheduling can best be accomplished by leaving calendaring decisions in the purview of the court, as contemplated by Article IV, section 15 of the Alaska Constitution which gives the supreme court authority over matters of practice and procedures. Thus, the court system suggests deleting the last two words of line 20, page two, as well as lines 21 - 23, so that section three, paragraph (a) would read:

(a) The court shall conduct a hearing on an application filed under AS 08.88.460.

Additionally, section five of the bill establishes procedures for processing a motion to dismiss an application. Since the civil rules of court incorporate similar procedures, this section appears unnecessary, and should be deleted.

The impact of this legislation upon the court's workload appears negligible. In years prior to 1980, when fund applications were handled through the courts, very few applications were filed. However, the 1980 amendments which eliminated the necessity of obtaining a judgment have resulted in a substantial case-load for the real estate commission. Since a judgment is again required by this legislation, and since under this bill an applicant must make additional showings to the court before securing payment, it appears that the number of applications will reflect the court's experience under the pre-1980 version of the law. Although more litigants may be seeking relief against realtors since the supreme court's decision in Bevins v. Ballard, 655 P.2d 757 (1982) which held that a purchaser who relies on a innocent material misrepresentation has a cause of action against a broker, this increase should not be reflected in surety fund applications which are limited by this bill to intentional misrepresentation.

Thank you for your consideration of these comments.

Cite as, Alaska, 655 P.2d 757

an element of the relative nature of the work test. Thus, only if it is determined that Kroll acted as an employer in the course of his construction activities may Donald reasonably be said to have been engaged in work which was "a regular part of the employer's regular work." *Ostrem v. Alaska Workmen's Compensation Board*, 511 P.2d at 1063.⁵

[5] For purposes of the Act, an employer is defined as "a person employing one or more persons in connection with a business or industry coming within the scope of this chapter." AS 23.30.265(12). The Board stated in this regard:

The definition of subsection (12) 'in connection with a business or industry coming within the scope of this chapter' is interpreted to mean *all business or industry is to be considered as covered by the Act* and that interpretation would follow Larson's which includes every person in the service of another under contract. [Emphasis added.]

The Board's broad construction of AS 23.30.265(12) fails to give proper weight to the statutory limitation to employment relationships "in connection with a business or industry." In Larson's terms,⁶ the policy question is whether Kroll's construction activity, either by itself or as an element of his rental activities,⁷ was a profit-making enterprise which ought to bear the costs of injuries incurred in the business, or was the construction activity simply a cost-cutting shortcut in what was basically a *consumptive* and not a *productive* roll played by Kroll.⁸

We conclude that the Board's statement with respect to the parameters of the statu-

tory definition of an employer reflects an erroneous standard of law. As a result, the threshold issue of whether Kroll's construction activity was sufficient to establish his status as an employer must also be remanded to the Board for further consideration.⁹

REVERSED and REMANDED.



Max BEVINS and Johnson-Bevins Inc.,
d/b/a Star Realty, Appellants,

v.

David L. BALLARD and Linda K.
Ballard, Appellees.

No. 4571.

Supreme Court of Alaska.

Nov. 19, 1982.

Purchasers brought action against vendors and real estate broker alleging, in part, intentional and negligent misrepresentation in describing condition of well on property. The Superior Court, Third Judicial District, Anchorage, Eben H. Lewis, J., rendered judgment in favor of purchasers, and broker appealed. The Supreme Court, Burke, J., held that: (1) trial court's dismissal of purchasers' negligence claim against real estate broker precluded broker's liability from resting on a negligent representation

er the work being done by the claimant is a regular part of that business.

6. See 1C A. Larson, *supra* note 2, § 50.21.

7. *Id.* at § 50.24.

8. *Id.* at § 50.21, at 9-70 to 9-71 & nn. 4 and 5. *But see Donald v. Whatley*, 346 So.2d 898 (Miss.1977).

9. *Burgess Constr. Co. v. Smallwood*, 623 P.2d 312, 317 (Alaska 1981).

5. The concept of "regular work" as used in *Ostrem* as part of the test for differentiating between employees and independent contractors is a subclass of "business" as used in AS 23.30.265(12). Whether a person engages in a "business" within the meaning of AS 23.30.265(12), is relevant for purposes of determining the extent to which claimant's work is a regular part of the employer's regular work." *Ostrem*, 511 P.2d at 1063. The Board's first obligation is to ascertain the nature of the particular business enterprise in which the injury allegedly occurred, and then to determine whether

theory, even though postjudgment amendments are allowed to conform issues tried to evidence, where, subsequent to dismissal, neither party argued negligent misrepresentation in trial briefs, court and parties treated case as one involving innocent misrepresentations, and broker neither expressly nor impliedly consented to trying negligence claim, but (2) real estate broker who made material misrepresentation to purchasers as to condition of well on unimproved property was liable to purchasers, even though representation was innocently made.

Affirmed.

Connor, J., dissented in part and filed an opinion in which Rabinowitz, J., joined.

1. Negligence ⇐2

In determining whether duty exists to provide accurate information once speaker undertakes to speak, factors to consider are whether speaker had knowledge, or its equivalent, that information was desired for serious purpose and that listener intended to rely upon it, foreseeability of harm, degree of certainty that listener would suffer harm, directness of causation, and policy of preventing future harm.

2. Brokers ⇐102

In land sales context, duty to provide accurate information when real estate broker undertakes to speak can arise when broker becomes aware of suspicious facts regarding his or her representations, or when purchaser makes affirmative inquiry and broker fails to check accuracy of subsequent responding representation, or when court determines that public policy requires brokers to undertake certain functions.

3. Pretrial Procedure ⇐693

Trial court's dismissal of purchasers' negligence claim against real estate broker precluded broker's liability for misrepresentations from resting on a negligent representation theory, even though postjudgment amendments are allowed to conform issues tried to evidence, where, subsequent

to dismissal, neither party argued negligent misrepresentation in trial briefs, court and parties treated case as one involving innocent misrepresentations, and broker neither expressly nor impliedly consented to trying negligence claim.

4. Vendor and Purchaser ⇐37(1)

Vendors guilty of even innocent misrepresentation cannot hide behind doctrine of caveat emptor because vendors are presumed to know character and attributes of land conveyed and purchasers are consequently entitled to rely on vendors' reasonable representations.

5. Fraud ⇐13(2)

Owner of land must be both truthful and informed in making any representations, for fraud includes pretense of knowledge where there is none.

6. Brokers ⇐102

Policy favoring liability of real estate brokers for innocent misrepresentation is founded on recognition that purchasers should be entitled to rely on a broker's representations.

7. Brokers ⇐106

Purchaser who relies on a material misrepresentation of real estate broker, even though innocently made, has a cause of action against broker.

8. Brokers ⇐102

Real estate broker who made material misrepresentation to purchasers as to condition of well on unimproved property was liable to purchasers, even though representation was innocently made.

Fredrick P. Pettyjohn, Anchorage, for appellants.

Saul R. Friedman, Hedland, Fleischer & Friedman, Anchorage, for appellees.

Before RABINOWITZ, C.J., CONNOR, BURKE, and MATTHEWS, JJ., and DIMOND, Senior Justice.*

* Dimond, Senior Justice, sitting by assignment made pursuant to article IV, section 11 of the

Constitution of Alaska, and Alaska R.Admin.P. 23(a).

BURK
This is
ing a re
misrepr
real esta

On F.
Ballard
dwelling
liam Fe
tain rep
the Bal
well on
Ballard
general
the ex
stalled
the ho
provide
Ballard
propert
penses
an ad
Bel
fraudu
sued t
employ
plaint
ligent
allego
check
there

1. Th
lega
(a)
(b)
drill
(c)
inc
edg
buy
(d)
plo
of
in
th
kn

OPINION

BURKE, Justice.

This is an appeal from a judgment holding a real estate broker liable for certain misrepresentations made in the course of a real estate transaction.

A. Facts

On February 3, 1975, David and Linda Ballard purchased a lot with an unfinished dwelling from Josephine, Patricia, and William Ferris. Prior to their purchase, certain representations were allegedly made to the Ballards regarding the adequacy of a well on the property. The purchaser, David Ballard, who had previous experience as a general contractor, attempted to complete the existing well on the property. He installed a pump and piping from the well to the house. The well, however, failed to provide sufficient water. As a result, the Ballards were forced to haul water to their property. They subsequently incurred expenses of \$6,935.00 in deepening the well to an adequate level.

Believing themselves the victims of fraudulent misrepresentations, the Ballards sued the sellers, the broker (Bevins), and an employee of the broker (Lucas). Their complaint alleged, in part, intentional and negligent misrepresentation.¹ In addition, it alleged that Bevins and Lucas had a duty to check the well's condition, that Lucas knew there was no functional well, that Bevins

was vicariously liable for Lucas's acts, and that the Ferrises were vicariously liable for the actions of their agents, Bevins and Lucas. The complaint did not explicitly allege innocent misrepresentation.

After the close of plaintiffs' evidence, the trial court dismissed certain counts of the complaint. First, the court ruled that the broker did not have a general duty to inspect the premises. Second, it held that the broker was not vicariously liable for the acts of his employee, Lucas. In a subsequent written decision, the court further ruled that Lucas was not liable. It then held that Bevins and the sellers were jointly and severally liable, each with a right of contribution from the other for any payment in excess of a pro rata share. While both the sellers and the broker filed timely notice of appeal, only Bevins, the broker, pursues his appeal.

The basis of the broker's liability is not clear. The court found that the sellers were the source of the representation that the well was "good," i.e., capable of supplying the reasonable water needs of the residents. It ruled that the broker had a right to rely on the representations, and thus the sellers were liable (as principals) for the act of Bevins (their broker and thus their agent) who passed on the misrepresentation. The court also found that Lucas passed on the representation intending that

1. The complaint made the following factual allegations:

- (a) Bevins personally inspected the property;
- (b) sellers told Bevins that there was a well drilled on the property;
- (c) sellers failed to disclose to Bevins the incomplete nature of the well, with the knowledge and intent that Bevins would tell potential buyers there was a well;
- (d) sellers represented to the broker's employee that the well was finished, held 36 feet of standing water, and was capable of supporting the reasonable water needs of residents of the house;
- (e) sellers made those representations with the intent that Lucas would tell the buyers;
- (f) Lucas did so represent to the Ballards;
- (g) the representations were false;
- (h) Lucas made the representations with the knowledge they were false;

(i) sellers made the representations knowing they were false, for the purpose of deceiving plaintiffs and inducing them to buy;

(j) plaintiffs did rely and were induced; and,
(k) plaintiffs were unable to discover the defect until after purchase.

In addition, the following legal allegations were made:

(1) Bevins owed plaintiffs a duty to investigate the accuracy of the sellers' representations, and breached that duty (this count was dismissed at the close of plaintiffs' evidence);

(2) Lucas (broker's employee) owed plaintiffs a duty to investigate, and breached that duty;

(3) Bevins was vicariously liable for acts of his employee Lucas (this count was dismissed at the close of plaintiffs' evidence); and,

(4) sellers were vicariously liable for the acts of their agents, Bevins, the broker, and his employee, Lucas.

it be relied upon; Bevins admitted to the same intent. The court further found that the Ballards did so rely, and that their reliance was justified.

Although the court earlier concluded that Bevins had no general duty to inspect, it subsequently held that a duty of inquiry arose when Lucas asked Bevins, on behalf of the Ballards, about the adequacy of the well. The court concluded that Bevins acted unreasonably by simply assuring Lucas that it was a "good well" rather than by investigating. Thus Bevins' liability appears to rest on a negligence theory.

Certain facts are not contested:

1. The listing mentioned a 100 foot well.
2. The well proved to be incomplete, i.e., inadequate to support reasonable water needs.
3. Bevins, the broker, testified that the listing of a well would reasonably lead buyers to assume the well was "good," i.e., adequate.
4. The Ballards relied on the listing and representations that the well was "good."
5. Both Lucas and Bevins intended that the Ballards so rely.

As to the source of the misrepresentation, Bevins testified that he would not have written it on the listing unless it came from the sellers. The sellers, however, denied telling him about it; they testified that Bevins must have misunderstood. The court believed Bevins, concluding that the sellers were the original source of the representation.

B. The Broker's Liability

There are three types of misrepresentations: intentional, negligent, and innocent. While the Ballards did assert an intentional misrepresentation claim against the sellers, they did not do so against Bevins or Lucas.

2. Bevins' liability could be based on a vicarious liability for the acts of his employee Lucas. As we noted in *Black v. Dahl*, 625 P.2d 876, 879 n. 3 (Alaska 1981), a real estate broker can be liable under the doctrine of respondeat superior for the acts of his or her sales-people. However, two of the rulings below preclude resting liability on such a basis. First, at the close of

Thus, we need address only the negligent and innocent misrepresentation claims in this appeal. Bevins' liability to be sustained, must rest on one of these two theories.²

1. Negligent Misrepresentation

The Ballards' third claim for relief stated a cause of action for negligence against Bevins. That claim alleged that Bevins had a duty to "take reasonable steps to determine whether or not the well . . . was a completed well" and had sufficient capacity to support a purchaser's reasonable water needs, that Bevins breached that duty, and that as a direct and proximate result of Bevins' breach the Ballards purchased the property believing the well was completed. As noted, the trial court subsequently dismissed that claim, and the Ballards did not appeal. In its final opinion, however, the trial court imposed liability on grounds that Bevins had a "duty to inquire of the sellers whether the well was, in fact, 'a good well.'" Bevins argues that the court thus held him negligent even though negligence was dismissed from the case and, further, that he was prejudiced thereby because dismissal of the third claim led him to forego a negligence defense.

[1, 2] We recognized the tort of negligent misrepresentation in *Transamerica Title Insurance Co. v. Ramsey*, 507 P.2d 492 (Alaska 1973), and *Howarth v. Pfeifer*, 443 P.2d 39 (Alaska 1968). Under this theory, Bevins could have been liable for breaching his duty to provide accurate information once he undertook to speak. In determining whether such a duty exists, one must consider: (a) whether the defendant had knowledge, or its equivalent, that the information was desired for a serious purpose and that the plaintiff intended to rely upon it; (b) the foreseeability of harm; (c) the degree of certainty that plaintiff would suf-

fer harm; and (e) the harm. Howarth v. Pfeifer, 443 P.2d 39 (Alaska 1968). See *Transamerica Title Insurance Co. v. Ramsey*, 507 P.2d 492 (Alaska 1973). In *Black v. Dahl*, 625 P.2d 876, 879 n. 3 (Alaska 1981), we noted that a real estate broker can be liable under the doctrine of respondeat superior for the acts of his or her sales-people. However, two of the rulings below preclude resting liability on such a basis. First, at the close of the Ballards' evidence, the trial court dismissed the eighth claim for relief, which had asserted that Bevins was vicariously liable. Second, in its written opinion, the trial court found in favor of Lucas, the salesman. Thus there is no underlying liability for which Bevins could be held vicariously responsible. The Ballards have not appealed these rulings.

fer harm; and (e) the harm. Howarth v. Pfeifer, 443 P.2d 39 (Alaska 1968). See *Transamerica Title Insurance Co. v. Ramsey*, 507 P.2d 492 (Alaska 1973). In *Black v. Dahl*, 625 P.2d 876, 879 n. 3 (Alaska 1981), we noted that a real estate broker can be liable under the doctrine of respondeat superior for the acts of his or her sales-people. However, two of the rulings below preclude resting liability on such a basis. First, at the close of

[3] We court's dismissal of relief, we claim against liability for negligent misrepresentation. Civil Procedure amendment.

3. In *Transamerica Title Insurance Co. v. Ramsey*, 507 P.2d 492 (Alaska 1973), we recognized the tort of negligent misrepresentation. Under this theory, Bevins could have been liable for breaching his duty to provide accurate information once he undertook to speak. In determining whether such a duty exists, one must consider: (a) whether the defendant had knowledge, or its equivalent, that the information was desired for a serious purpose and that the plaintiff intended to rely upon it; (b) the foreseeability of harm; (c) the degree of certainty that plaintiff would suf-

In *Black v. Dahl*, 625 P.2d 876, 879 n. 3 (Alaska 1981), we noted that a real estate broker can be liable under the doctrine of respondeat superior for the acts of his or her sales-people. However, two of the rulings below preclude resting liability on such a basis. First, at the close of

4. The claim for negligent misrepresentation is a claim for negligence. The claim is not a claim for breach of contract.

for harm; (d) the directness of causation; and (e) the policy of preventing future harm. *Howarth v. Pfeifer*, 443 P.2d at 42; *Transamerica Title Insurance Co. v. Emmer*, 507 P.2d at 494-95.³ In the land sales context, such a duty can arise when a broker becomes aware of suspicious facts regarding his or her representations, or when a buyer makes an affirmative inquiry and the broker fails to check the accuracy of his subsequent responding representation, or when a court determines that public policy requires brokers to undertake certain functions. See, e.g., *First Church of the Open Bible v. Cline J. Dunton Realty, Inc.*, 19 Wash.App. 275, 574 P.2d 1211 (1978).

[3] We believe, however, that the trial court's dismissal of Ballards' third claim for relief, which was their only negligence claim against Bevins, precludes the broker's liability from resting on a negligent misrepresentation theory.⁴ While Alaska Rule of Civil Procedure 15(b) allows post-judgment amendments to conform the issues tried to

the evidence, and further provides that the failure to so amend "does not affect the result of the trial" on those issues, the rule sets as a threshold the requirement that such issues be "tried by express or implied consent of the parties." We do not believe that this condition was met in the case at bar. Subsequent to the dismissal neither party argued negligent misrepresentation in their trial briefs. The court and parties treated the case as one involving innocent misrepresentations. Bevins neither expressly nor impliedly consented to trying a negligence claim. Accordingly, Bevins' liability cannot rest on a negligent misrepresentation theory.

2. Innocent Misrepresentation

The case went forward against Bevins on an apparent theory of innocent misrepresentation, evidenced by the colloquy quoted in note 4 and the arguments advanced in the trial briefs.⁵ The tort of innocent mis-

3. In *Transamerica Title*, we upheld submitting the negligence issue to the jury where a title insurance company failed to inform a client that a power of attorney, upon which she was relying in asserting her authority to sell the property, had been revoked. Although the title company was unaware of the revocation, that information was readily available to it. We concluded that the title insurer knew that the seller, its client, desired information about her legal capacity to sell the land, that she intended to rely on that information, and that there was foreseeable harm to her should she be poorly advised. We concluded that the jury could find that the title company had a "duty to speak carefully." We rejected any distinction between the nonfeasance of the title company and the misfeasance in the *Howarth* case. 507 P.2d at 494-95.

In *Howarth*, a vendor sought damages for the alleged negligent misrepresentation by the defendant insurer that a purchaser of vendor's property had obtained fire insurance on the property. We held that assuming the presence of the essential factors establishing a duty of care, those engaged in the insurance business are required to speak with reasonable care.

4. That the court intended to dismiss negligence claims from the case is further evidenced by the following colloquy:

THE COURT: ... I feel that it's the third claim for relief that you seek thereby to impose upon realtors a burden that does not exist except in extraordinary circumstances.

That is when there's been—when there has been evidence adduced as to the duty of a realtor to inquire arising from some circumstances directing the attention of a reasonable prudent realtor to some—some—something unusual. In this case it seems to me that this was just an ordinary transaction. That it's rural property, most of which does require that it be serviced by a well. It is incomplete, and if I accept the evidence as it now stands, that it was represented that there was a good well, that that's the end of the matter, that there's no duty on the realtors to go further and inquire whether that is the actual fact. You know, there's nothing unusual about that well that would alert the ordinary prudent realtor of the need to do something about it. To check it out.

MR. FRIEDMAN: Well, if the court finds that there was no duty, then they can't obviously be negligent. But I still ask the court

THE COURT: They—well, they still can be—the defendants still could be—they made the representation, which is—facts show was not true.

MR. FRIEDMAN: Correct.

THE COURT: So that they can be—they can be held liable for having made the same. But not on—not on—(indiscernible) negligence—or negligence theory.

5. The elements of innocent misrepresentation were alleged to a sufficient degree. Paragraph 3 of the Ballards' first claim for relief makes

representation is defined by section 552C(1) of the Restatement (Second) of Torts (1977) as follows:

One who, in a sale, rental or exchange transaction with another, makes a misrepresentation of a material fact for the purpose of inducing the other to act or to refrain from acting in reliance upon it, is subject to liability to the other for pecuniary loss caused to him by his justifiable reliance upon the misrepresentation, even though it is not made fraudulently or negligently.

Id. The Restatement leaves open the question of whether such a cause of action lies against real estate brokers. *Id.* § 552C, Comment g.

[4, 5] We have recognized a cause of action against the owner of realty who innocently misrepresents its condition to the purchaser. *Cousineau v. Walker*, 613 P.2d 603 (Alaska 1980). In *Cousineau*, we granted rescission and restitution to a purchaser where the seller made false statements concerning the highway frontage and gravel content of the purchased land. In so doing, we held that an owner guilty of even innocent misrepresentation could not hide behind the doctrine of caveat emptor. *Id.* at 614-16. This is so because owners are presumed to know the character and attributes of the land conveyed and buyers are consequently entitled to rely on the seller's reasonable representations. See *Sorenson v. Adams*, 98 Idaho 708, 571 P.2d 769, 776 (1977), quoted in *Cousineau v. Walker*, 613 P.2d 608, 615 n. 14 (Alaska 1980). The owner of land must therefore be both truthful and informed in making any representations, for fraud includes the pretense of knowledge where there is none. *Spargna-*

the necessary allegation concerning Bevins' scienter. Paragraph 2 of the fifth claim for relief alleged that Bevins' agent passed on the representation with the intent to cause action in reliance thereon. Finally, paragraph 15 of the first claim for relief alleged actual reliance. In light of this, plus the court's and the parties' arguments concerning Section 552 of the Restatement, we conclude that Bevins was "adequately notified" that the Ballards were asserting a cause of action based on innocent misrepresentations. See *Clary Ins. Agency v. Doyle*, 620 P.2d 194, 201 (Alaska 1980).

puni v. Wright, 110 A.2d 82, 84 (D.C.App. 1954).

The question presented in this case is whether or not liability for innocent misrepresentation should extend to the owner's agent, the real estate broker, where that party serves as a conduit for the owner's misinformation. Most courts addressing this issue recognize a cause of action by the purchasers of property against the broker for the latter's innocent misrepresentation.⁶

An illustrative case is *Spargnapani v. Wright*, 110 A.2d 82 (D.C.App.1954). There, both the seller and broker were held liable for representing that a house could be heated for a little more than \$100.00 per year, when a defect in the boiler made it impossible to heat the house at all. *Id.* at 85. The broker had merely passed on the seller's information, and neither defendant had knowledge of a defect. Nevertheless, the court sustained liability:

If the broker innocently represented that the heating plant was in workable condition and was mistaken in that representation, or made the representation without knowing whether it was true or false, the injured party may recover in an action for fraud.

... We may assume that the broker was guilty of no deliberate deception and had no actual knowledge of the concealed defect. But on defendants' own evidence their selling agent did not disclaim such knowledge The representation . . . was flagrantly inaccurate, since the defect . . . made it impossible to heat the house at all "Fraud includes the

6. *Sodai v. French*, 35 Colo.App. 16, 531 P.2d 972, 973 (1974); *Spargnapani v. Wright*, 110 A.2d 82, 85 (D.C.App.1954); *Pumphrey v. Quillen*, 165 Ohio St. 343, 135 N.E.2d 328, 331 (1956); *Berryman v. Riegert*, 286 Minn. 270, 175 N.W.2d 438, 442 (1970); *Lawlor v. Schepfer*, 232 S.C. 94, 101 S.E.2d 269, 271 (1957); *Polk Terrace, Inc. v. Harper*, 386 S.W.2d 588, 593 (Tex.App.1965). *Contra Lyons v. Christ Episcopal Church*, 71 Ill.App.3d 257, 27 Ill.Dec. 559, 389 N.E.2d 623, 625 (1979).

pretense
where a
110 A.2d 82-
[5] The
innocent mis-
representation
to rely on
one's agent.
Real
estate
broker
does not
know
defect
and
therefore
cannot
be held
liable
for
fraud.
[7]
Parties
by doing
so
are
guilty
of
fraud.
Prosper-
ties
agents
to rely
upon
purcha-
broker
would
state-
main
main
repre-
7. S
tion
by f
ence